

A BILL

To authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2008, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "National Defense Authorization Act for Fiscal Year 2008".

5 **SEC. 2. TABLE OF CONTENTS.**

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

7 (1) Division A—Department of Defense Authorizations.

8 (2) Division B—Military Construction Authorizations.

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

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Sec. 103. Air Force.

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Sec. 2001. Short title.

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[TO BE SUBMITTED AT A LATER DATE]

TITLE XXII—NAVY

[TO BE SUBMITTED AT A LATER DATE]

TITLE XXIII—AIR FORCE

[TO BE SUBMITTED AT A LATER DATE]

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[TO BE SUBMITTED AT A LATER DATE]

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[TO BE SUBMITTED AT A LATER DATE]

TITLE XXVII—GUARD AND RESERVE FORCES FACILITIES

[TO BE SUBMITTED AT A LATER DATE]

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DIVISION A—DEPARTMENT OF DEFENSE

AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 2008 for procurement for the Army as follows:

- (1) For aircraft, \$4,179,848,000.

1 (2) For missiles, \$1,645,485,000.

2 (3) For weapons and tracked combat vehicles, \$3,089,998,000.

3 (4) For ammunition, \$2,190,576,000.

4 (5) For other procurement, \$12,647,099,000.

5 **SEC. 102. NAVY AND MARINE CORPS.**

6 (a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2008 for
7 procurement for the Navy as follows:

8 (1) For aircraft, \$12,747,767,000.

9 (2) For weapons, including missiles and torpedoes, \$3,084,387,000.

10 (3) For shipbuilding and conversion, \$13,656,120,000.

11 (4) For other procurement, \$5,470,412,000.

12 (b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2008
13 for procurement for the Marine Corps in the amount of \$2,999,057,000.

14 (c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be
15 appropriated for fiscal year 2008 for procurement of ammunition for the Navy and Marine Corps
16 in the amount of \$760,484,000.

17 **SEC. 103. AIR FORCE.**

18 Funds are hereby authorized to be appropriated for fiscal year 2008 for procurement for
19 the Air Force as follows:

20 (1) For aircraft, \$12,393,270,000.

21 (2) For ammunition, \$868,917,000.

22 (3) For missiles, \$5,131,002,000.

1 (4) For other procurement, \$15,421,162,000.

2 **SEC. 104. DEFENSE-WIDE ACTIVITIES.**

3 Funds are hereby authorized to be appropriated for fiscal year 2008 for Defense-wide
4 procurement in the amount of \$3,318,834,000.

5 **SEC. 105. RAPID ACQUISITION FUND.**

6 Funds are hereby authorized to be appropriated for fiscal year 2008 for Rapid Acquisition
7 Fund in the amount of \$100,000,000.

8 **SEC. 106. JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND.**

9 Funds are hereby authorized to be appropriated for fiscal year 2008 for Joint Improvised
10 Explosive Device Defeat Fund in the amount of \$500,000,000.

11 **Subtitle B—Army Programs**

12 **SEC. 111. MULTIYEAR PROCUREMENT AUTHORITY FOR ARMY PROGRAMS.**

13 Beginning with the fiscal year 2008 program year, the Secretary of the Army may, in
14 accordance with section 2306b of title 10, United States Code, enter into multi-year contracts for
15 procurement of the following:

- 16 (1) Army Ch-Chinook Helicopter;
17 (2) M1A2 Abrams System Enhancement Package upgrades, and
18 (3) M2A3/M3A3 Bradley upgrades.

19 **Subtitle C—Navy Programs**

20 **SEC. 121. MULTIYEAR PROCUREMENT AUTHORITY FOR VIRGINIA CLASS**
21 **SUBMARINE PROGRAM.**

22 (a) AUTHORITY.—The Secretary of the Navy may, in accordance with section 2306b of

1 title 10, United States Code, enter into multiyear contracts, beginning with the fiscal year 2009
2 program year, for the procurement of Virginia-class submarines and government-furnished
3 equipment.

4 (b) LIMITATIONS.—The Secretary of the Navy may not enter into a contract authorized by
5 subsection (a) until—

6 (1) the Secretary submits to the congressional defense committees a certification
7 that the Secretary has made each of the findings with respect to such contract specified in
8 subsection (a) of section 2306b of title 10, United States Code; and

9 (2) a period of 30 days has elapsed after the date of the transmission of such
10 certification.

11 **TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION**

12 **Subtitle A—Authorization of Appropriations**

13 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

14 Funds are hereby authorized to be appropriated for fiscal year 2008 for the use of the
15 Department of Defense for research, development, test, and evaluation, as follows:

16 (1) For the Army, \$10,589,604,000.

17 (2) For the Navy, \$17,075,536,000.

18 (3) For the Air Force, \$26,711,940,000.

19 (4) For Defense-wide activities, \$20,740,114,000, of which \$180,264,000 is
20 authorized for the Director of Operational Test and Evaluation.

21 **Subtitle B—Missile Defense Programs**

22 **SEC. 211. FIELDING OF BALLISTIC MISSILE DEFENSE CAPABILITIES.**

1 Upon approval by the Secretary of Defense, funds authorized to be appropriated for fiscal
2 year 2009 for research, development, test, and evaluation for the Missile Defense Agency may
3 be used for the development and fielding of ballistic missile defense capabilities.

4 **TITLE III—OPERATION AND MAINTENANCE**

5 **Subtitle A—Authorization of Appropriations**

6 **SEC. 301. OPERATION AND MAINTENANCE FUNDING.**

7 Funds are hereby authorized to be appropriated for fiscal year 2008 for the use of the
8 Armed Forces and other activities and agencies of the Department of Defense, for expenses, not
9 otherwise provided for, for operation and maintenance, in amounts as follows:

10 (1) For the Army, \$28,924,973,000.

11 (2) For the Navy, \$33,334,690,000.

12 (3) For the Marine Corps, \$4,961,393,000.

13 (4) For the Air Force, \$33,655,633,000.

14 (5) For the Defense-wide activities, \$22,574,278,000.

15 (6) For the Army Reserve, \$2,508,062,000.

16 (7) For the Navy Reserve, \$1,186,883,000.

17 (8) For the Marine Corps Reserve, \$208,637,000.

18 (9) For the Air Force Reserve, \$2,692,077,000.

19 (10) For the Army National Guard, \$5,840,209,000.

20 (11) For the Air National Guard, \$5,041,965,000.

21 (12) For the United States Court of Appeals for the Armed Forces, \$11,971,000.

22 (13) For Environmental Restoration, Army, \$434,879,000.

1 (14) For Environmental Restoration, Navy, \$300,591,000.

2 (15) For Environmental Restoration, Air Force, \$458,428,000.

3 (16) For Environmental Restoration, Defense-wide, \$12,751,000.

4 (17) For Environmental Restoration, Formerly Used Defense Sites, \$250,249,000.

5 (18) For Overseas Humanitarian, Disaster, and Civic Aid programs,
6 \$103,300,000.

7 (19) For Former Soviet Union Threat Reduction programs, \$348,048,000.

8 (20) For the Overseas Contingency Operations Transfer Fund, \$5,000,000.

9 **SEC. 302. WORKING CAPITAL FUNDS.**

10 Funds are hereby authorized to be appropriated for fiscal year 2008 for the use of the
11 Armed Forces and other activities and agencies of the Department of Defense for providing
12 capital for working capital and revolving funds in amounts as follows:

13 (1) For the Defense Working Capital Funds, \$1,352,746,000.

14 (2) For the National Defense Sealift Fund, \$1,079,094,000.

15 **SEC. 303. OTHER DEPARTMENT OF DEFENSE PROGRAMS.**

16 (a) DEFENSE HEALTH PROGRAM.—Funds are hereby authorized to be appropriated for the
17 Department of Defense for fiscal year 2008 for expenses, not otherwise provided for, for the
18 Defense Health Program, in the amount of \$20,679,124,000, of which—

19 (1) \$20,182,381,000 is for Operation and Maintenance;

20 (2) \$134,482,000 is for Research, Development, Test, and Evaluation; and

21 (3) \$362,261,000 is for Procurement.

22 (b) CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, ARMY.—

1 (1) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be
2 appropriated for the Department of Defense for fiscal year 2008 for expenses, not
3 otherwise provided for, for Chemical Agents and Munitions Destruction, in the amount of
4 \$1,455,724,000, of which—

5 (A) \$1,198,086,000 is for Operation and Maintenance;

6 (B) \$221,212,000 is for Research, Development, Test, and Evaluation; and

7 (C) \$36,426,000 is for Procurement.

8 (2) USE.—Amounts authorized to be appropriated under paragraph (1) are
9 authorized for—

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

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

15 (c) DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE-WIDE.—Funds are
16 hereby authorized to be appropriated for the Department of Defense for fiscal year 2008 for
17 expenses, not otherwise provided for, for Drug Interdiction and Counter-Drug Activities,
18 Defense-wide, in the amount of \$936,822,000.

19 (d) DEFENSE INSPECTOR GENERAL.—Funds are hereby authorized to be appropriated for
20 the Department of Defense for fiscal year 2008 for expenses, not otherwise provided for, for the
21 Office of the Inspector General of the Department of Defense, in the amount of \$215,995,000, of
22 which—

1 (1) \$214,995,000 is for Operation and Maintenance; and

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

3 **Subtitle B—Environmental Provisions**

4 **SEC. 311. REIMBURSEMENT OF ENVIRONMENTAL PROTECTION AGENCY FOR**
5 **CERTAIN COSTS IN CONNECTION WITH THE ARCTIC SURPLUS**
6 **SUPERFUND SITE, FAIRBANKS, ALASKA.**

7 From funds authorized to be appropriated by section 301(16) for Environmental
8 Restoration, Defense-wide, the Secretary of Defense may, notwithstanding section 2215 of title
9 10, United States Code, transfer not more than \$186,625.38 to the Hazardous Substance
10 Superfund to reimburse the Environmental Protection Agency for costs incurred pursuant to the
11 agreement known as "In the Matter of Arctic Surplus Superfund Site, U.S. EPA Docket Number
12 CERCLA-10-2003-0114: Administrative Order on Consent for Remedial Design and Remedial
13 Action," entered into by the Department of Defense and the Environmental Protection Agency
14 on December 11, 2003.

15 **SEC. 312. PAYMENT TO EPA OF STIPULATED PENALTIES IN CONNECTION**
16 **WITH JACKSON PARK HOUSING COMPLEX, WASHINGTON.**

17 From funds authorized to be appropriated by section 301(14) for operation and
18 maintenance for Environmental Restoration, Navy, the Secretary of the Navy may,
19 notwithstanding section 2215 of title 10, United States Code, transfer not more than \$40,000.00
20 to the Hazardous Substance Superfund to pay a stipulated penalty assessed by the Environmental
21 Protection Agency on October 25, 2005, against the Jackson Park Housing Complex,
22 Washington, for the Navy's failure to timely submit a draft final Phase II Remedial Investigation

1 Work Plan for the Jackson Park Housing Complex Operable Unit (OU-3T-JPHC) pursuant to a
2 schedule included in an Interagency Agreement (Administrative Docket No. CERCLA-10-2005-
3 0023).

4 **SEC. 313. PROMOTING PRIVATELY CONDUCTED RESPONSIBLE, COMPLIANT,**
5 **AND ECONOMICALLY BENEFICIAL ENVIRONMENTAL**
6 **RESTORATION AT CLOSED INSTALLATIONS.**

7 Section 2905(e) of the Defense Base Closure and Realignment Act of 1990 (part A of
8 title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended—

9 (1) in paragraph (1)—

10 (A) in subparagraph (A), by striking ", waste management, and
11 environmental compliance";

12 (B) in subparagraph (B), by striking "exclusively for the use" and all that
13 follows through the period at the end of the subparagraph and inserting "for
14 purposes other than to assist the homeless."; and

15 (C) in subparagraph (C), by inserting before the period at the end the
16 following: ", and shall require appropriate financial assurance (as determined by
17 the Secretary) by the property recipient for environmental restoration activities
18 not otherwise addressed by paragraph (5) ";

19 (2) in paragraph (2), by striking "Congress that" and all that follows through the
20 end and inserting "Congress that the resulting transaction will—

21 "(A) ensure that all response actions necessary to protect human health
22 and the environment will be completed;

1 "(B) provide an economically sound transaction for the United States; and

2 "(C) promote rapid reuse of the property.";

3 (3) by striking paragraph (3);

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

6 (5) in paragraph (5), as so redesignated, by striking "paragraph (4)" and inserting
7 "paragraph (3)"; and

8 (6) by adding at the end the following new paragraph (6):

9 "(6) Any payments received pursuant to an agreement under paragraph (1) at an
10 installation approved for closure or realignment on or before January 1, 2005, shall be
11 deposited into the account established pursuant to section 2906. Any payments received
12 under paragraph (1) at an installation approved for closure or realignment after January 1,
13 2005, shall be deposited into the account established pursuant to section 2906A."

14 **SEC. 314. RANGE MANAGEMENT.**

15 (a) DEFINITION OF SOLID WASTE.—(1) The term "solid waste" as used in the Solid Waste
16 Disposal Act, as amended (42 U.S.C. 6901 et seq.), does not include—

17 (A) military munitions, including unexploded ordnance; or

18 (B) the constituents thereof, that are or have come to be located, incident to their
19 normal and expected use, on an operational range, and remain thereon.

20 (2) Paragraph (1) shall not apply to—

21 (A)(i) military munitions, including unexploded ordnance; or

22 (ii) the constituents thereof, that—

1 (B)(i) are recovered, collected, and then disposed of by burial or landfilling;

2 (ii) have migrated off an operational range;

3 (iii) come to be located off of an operational range; or

4 (iv) remain on the range once the range ceases to be an operational range.

5 (3) Nothing in this section affects the authority of federal, state, interstate, or local
6 regulatory authorities to determine when—

7 (A) military munitions, including unexploded ordnance; or

8 (B) the constituents thereof,

9 become hazardous waste for purposes of the Solid Waste Disposal Act, as amended, including,
10 but not limited to, sections 7002 and 7003 (42 U.S.C. 6972 and 6973), except for military
11 munitions, including unexploded ordnance, or the constituents thereof, that are excluded from
12 the definition of solid waste by this subsection.

13 (b) DEFINITION OF RELEASE.—(1) The term "release" as used in the Comprehensive
14 Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. 9601
15 et seq.), does not include the deposit or presence of any—

16 (A) military munitions, including unexploded ordnance; or

17 (B) the constituents thereof,

18 that are or have come to be located, incident to their normal and expected use, on an operational
19 range, and remain thereon.

20 (2) Paragraph (1) shall not apply to—

21 (A)(i) military munitions, including unexploded ordnance; or

22 (ii) the constituents thereof, that—

- 1 (B)(i) migrate off an operational range;
- 2 (ii) come to be located off of an operational range; or
- 3 (iii) remain on the range once the range ceases to be an operational range.

4 (3) Notwithstanding the provisions of paragraph (1), the authority of the President under
5 section 106(a) of the Comprehensive Environmental Response, Compensation, and Liability Act
6 of 1980, as amended (42 U.S.C. 9606(a)), to take action because there may be an imminent and
7 substantial endangerment to the public health or welfare or the environment because of an actual
8 or threatened release of a hazardous substance includes the authority to take action because of
9 the deposit or presence of any—

- 10 (A) military munitions, including unexploded ordnance; or
- 11 (B) the constituents thereof,

12 that are or have come to be located, incident to their normal and expected use, on an operational
13 range, and remain thereon.

14 (c) DEFINITIONS.—(1) For purposes of this section, the term "constituents" means any
15 materials originating from military munitions, including—

- 16 (A) unexploded ordnance;
- 17 (B) explosive and non-explosive materials; and
- 18 (C) emission, degradation, or breakdown products of such munitions.

19 (2) For purposes of this section, the terms "military munitions", "operational range", and
20 "unexploded ordnance" have the meanings given such terms in section 101(e) of title 10, United
21 States Code.

22 (d) CHANGE IN RANGE STATUS.—Nothing in this section affects the legal requirements

1 applicable to—

2 (1) military munitions, including unexploded ordnance; or

3 (2) the constituents thereof,

4 that have come to be located on an operational range, once the range ceases to be an operational
5 range.

6 (e) CONTINUATION OF AUTHORITY.—Nothing in this section affects the authority of the
7 Department of Defense to protect the environment, safety, and health on operational ranges.

8 **SEC. 315. AIR QUALITY PLANS.**

9 (a) CONFORMITY WITH CLEAN AIR ACT.—In any case in which the requirements of
10 section 176(c) of the Clean Air Act would have applied to proposed military readiness activities,
11 the Department of Defense shall not be prohibited from engaging in such activities and it shall
12 have up to three years, from the date such activities begin, to satisfy the requirements of that
13 section, provided:

14 (1) the Department of Defense has provided the State in which the proposed
15 military readiness activities would occur an estimate of the annual emissions caused by
16 the proposed military readiness activities for all criteria pollutants for which the area is
17 designated "non-attainment" or "maintenance"; and

18 (2) the State provides written concurrence with the extension of up to three years.

19 (b) ENVIRONMENTAL PROTECTION AGENCY APPROVAL.—Notwithstanding any other
20 provisions of law, an implementation plan or plan revision required under the Clean Air Act shall
21 be approved by the Administrator of the Environmental Protection Agency if:

22 (1) such plan or revision meets all the requirements applicable to it under the

1 Clean Air Act other than a requirement that such plan or revision demonstrate attainment
2 and maintenance of the relevant national ambient air quality standards by the attainment
3 date specified under the applicable provision of the Act, or in a regulation promulgated
4 under such provision; and

5 (2) the submitting State established to the satisfaction of the Administrator that
6 the implementation plan of such State would be adequate to attain and maintain the
7 relevant national ambient air quality standards by the attainment date specified under the
8 applicable provision of the Act, or in a regulation promulgated under such provision, but
9 for emissions emanating from military readiness activities not otherwise meeting section
10 176(c) of the Act pursuant to subsection (a) of this section.

11 (c) EFFECT ON STATE COMPLIANCE WITH OZONE STANDARDS.—Notwithstanding any
12 other provisions of law, any State that establishes to the satisfaction of the Administrator that,
13 with respect to an ozone non-attainment area in such State, such State would have attained the
14 national ambient air quality standard for ozone by the applicable attainment date, but for
15 emissions emanating from military readiness activities not otherwise meeting section 176(c) of
16 the Clean Air Act pursuant to subsection (a) of this section, shall not be subject to the provisions
17 of section 181(b)(2) and (4) or section 185 of the Act.

18 (d) EFFECT ON STATE COMPLIANCE WITH CARBON MONOXIDE STANDARDS.—
19 Notwithstanding any other provision of law, any State that establishes to the satisfaction of the
20 Administrator, with respect to a carbon monoxide non-attainment area in such State, that such
21 State has attained the national ambient air quality standard for carbon monoxide by the
22 applicable attainment date, but for emissions emanating from military readiness activities not

1 otherwise meeting section 176(c) of the Clean Air Act pursuant to subsection (a) of this section,
2 shall not be subject to the provisions of section 186(b)(2) or 187(g) of the Act.

3 (e) EFFECT ON STATE COMPLIANCE WITH PM-10 STANDARDS.—Notwithstanding any
4 other provisions of law, any State that establishes to the satisfaction of the Administrator that,
5 with respect to a PM-10 non-attainment area in such State, such State would have attained the
6 national ambient air quality standard for PM-10 by the applicable attainment date, but for
7 emission emanating from military readiness activities not otherwise meeting section 176(c) of
8 the Clean Air Act pursuant to subsection (a) of this section, shall not be subject to the provisions
9 of section 188(b)(2) of the Act.

10 (f) MILITARY READINESS ACTIVITIES.—The term "military readiness activities"—(1)
11 includes—

12 (A) all training and operations of the Armed Forces that relate to combat; and

13 (B) the adequate and realistic testing of military equipment, vehicles, weapons,
14 and sensors for proper operation and suitability for combat use; but

15 (2) does not include—

16 (A) the routine operation of installation operating support functions, including but
17 not limited to heat and electric production, administrative offices, military exchanges,
18 commissaries, water treatment facilities, storage facilities, schools, housing, motor pools,
19 laundries, morale, welfare, and recreation activities, shops, and mess halls;

20 (B) the operation of industrial activities; or

21 (C) the construction or demolition of facilities used for a purpose described in
22 paragraph (1).

1 **SEC. 316. ENHANCED ENCROACHMENT PROTECTION.**

2 Section 2684a(d) of title 10, United States Code, is amended—

3 (1) by redesignating paragraphs (3), (4), (5), and (6) as paragraphs (4), (5), (6),
4 and (7), respectively;

5 (2) by inserting after paragraph (2) the following new paragraph (3):

6 "(3) An agreement with an eligible entity under subsection (a)(2) of this section
7 may provide for the management of natural resources and the contribution by the United
8 States towards natural resource management costs on any real property in which a
9 military department has acquired any right title or interest in accordance with paragraph
10 (1)(A) where there is a demonstrated need to preserve or restore habitat for purposes of
11 subsection (a)(2)."; and

12 (3) in paragraph (4)(C), as redesignated by paragraph (1), by striking "equal to the
13 fair market value" and all that follows through the period at the end and inserting "equal
14 to—

15 "(i) the fair market value of any property or interest in property to
16 be transferred to the United States upon the request of the Secretary
17 concerned under paragraph (5); or

18 "(ii) at the discretion of the Secretary concerned, the cumulative
19 fair market value of all properties or interests to be transferred to the
20 United States under paragraph (5) pursuant to an agreement under
21 subsection (a).".

22 **SEC. 317. REIMBURSEMENT OF ENVIRONMENTAL PROTECTION AGENCY**

1 **FOR CERTAIN COSTS IN CONNECTION WITH MOSES LAKE**
2 **WELLFIELD SUPERFUND SITE, MOSES LAKE, WASHINGTON.**

3 From funds authorized to be appropriated by section 301(16) for Environmental
4 Restoration, Defense-wide, the Secretary of Defense may, notwithstanding section 2215 of title
5 10, United States Code, transfer not more than \$91,588.51 to the Moses Lake Wellfield
6 Superfund Site 10–6J Special Account to reimburse the Environmental Protection Agency for
7 costs incurred pursuant to a remedial investigation/feasibility study performed by the Department
8 of the Army under the Defense Environmental Restoration Program at the former Larson Air
9 Force Base, Moses Lake Superfund Site, Moses Lake, Washington, provided for in the
10 interagency agreement entered into by the Department of the Army and the Environmental
11 Protection Agency for the Moses Lake Wellfield Superfund Site in March 1999.

12 **Subtitle C—Workplace and Depot Issues**

13 **SEC. 321. MODIFICATION OF PROHIBITION ON CONTRACTS FOR**
14 **PERFORMANCE OF FIREFIGHTING OR SECURITY-GUARD**
15 **FUNCTIONS.**

16 Section 2465(b)(4) of title 10, United States Code, is amended by inserting "or security-
17 guard" after "firefighting" both places it appears.

18 **SEC. 322. FLEXIBILITY IN USE OF LOW DENSITY/HIGH DEMAND MILITARY**
19 **PERSONNEL.**

20 Paragraph (4) of section 2465(b) of title 10, United States Code, is amended to read as
21 follows:

22 "(4) A contract for the performance of security-guard or firefighting functions that

1 the Secretary of Defense determines are, or otherwise would be, performed by members
2 of the armed forces."

3 **Subtitle D—Other Matters**

4 **SEC. 331. REIMBURSEMENT FOR NATIONAL GUARD MILITARY SUPPORT TO** 5 **CIVILIAN LAW ENFORCEMENT.**

6 Section 377 of title 10, United States Code, is amended—

7 (1) in subsection (a), by striking "To" and inserting "Subject to subsection (c), to";

8 (2) by redesignating subsection (b) as subsection (c);

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

10 "(b)(1) Subject to subsection (c), the Secretary of Defense shall require a federal civilian
11 law enforcement agency to which support is provided by National Guard personnel authorized to
12 perform other duty under section 502(f) of title 32, to reimburse the Department of Defense for
13 the costs of that support, notwithstanding any other provision of law. No other provision of this
14 chapter shall apply to such support.

15 "(2) Any funds received by the Department of Defense as reimbursement for support
16 provided by units or members of the National Guard under this subsection shall be credited, at
17 the option of the Secretary of Defense, to:

18 "(A) the appropriation, fund, or account used to fund the support; or

19 "(B) the appropriate appropriation, fund, or account currently available for such
20 purpose."; and

21 (4) in subsection (c), as redesignated by paragraph (2)—

22 (A) in the matter preceding paragraph (1), by inserting "or under section

1 502(f) of title 32" after "under this chapter"; and

2 (B) in paragraph (2), by inserting "or units or members of the National
3 Guard" after "Department of Defense".

4 **SEC. 332. EXTEND PERIOD TO TRANSFER FUNDS INTO THE FOREIGN**
5 **CURRENCY FLUCTUATIONS ACCOUNT.**

6 Section 2779 of title 10, United States Code, is amended—

7 (1) in subsection (a)(2), by striking "second" and inserting "fifth"; and

8 (2) in subsection (d)(2), by striking "second" and inserting "fifth".

9 **SEC. 333. AVAILABILITY OF APPROPRIATIONS FOR UNUSUAL COST**
10 **OVERRUNS AND FOR CHANGES IN SCOPE OF WORK FOR SHIP**
11 **OVERHAUL, MAINTENANCE, AND REPAIR.**

12 (a) IN GENERAL.—Section 7313 of title 10, United States Code, is amended—

13 (1) in subsection (a), by striking "an industrial-fund activity" and inserting "a
14 Center of Industrial and Technical Excellence"; and

15 (2) in subsection (b)(1)—

16 (A) by striking "for payments to an industrial-fund activity" and inserting
17 "for costs incurred by a Center of Industrial and Technical Excellence"; and

18 (B) by striking "the industrial-fund activity" and inserting "the Center of
19 Industrial and Technical Excellence".

20 (b) CLERICAL AMENDMENT.—(1) Such section is further amended by amending the
21 section heading to read as follows:

22 **"§ 7313. Availability of appropriations for unusual cost overruns and for changes in scope**

1 **of work for ship overhaul, maintenance, and repair"; and**

2 (2) The table of contents at the beginning of chapter 633 of such title is amended by
3 striking the item relating to section 7313 and inserting the following new item:

4 "7313. Availability of appropriations for unusual cost overruns and for changes in scope of work for ship overhaul,
5 maintenance, and repair".

6 **SEC. 334. REAUTHORIZATION OF AVIATION INSURANCE PROGRAM.**

7 Section 44310 of title 49, United States Code, is amended by striking "March 30, 2008"
8 and inserting "December 31, 2013".

9 **SEC. 335. REASONABLE RESTRICTIONS ON THE PAYMENT OF FULL**
10 **REPLACEMENT VALUE FOR PERSONAL PROPERTY CLAIMS.**

11 Section 2636a(d) of title 10, United States Code, is amended by adding at the end the
12 following new sentence: "The regulations may require members of the armed forces or civilian
13 employees of the Department of Defense to comply with reasonable restrictions in order to
14 receive benefits under this section."

15 **TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS**

16 **Subtitle A—Active Forces**

17 **SEC. 401. END STRENGTHS FOR ACTIVE FORCES.**

18 The Armed Forces are authorized strengths for active duty personnel as of September 30,
19 2008, as follows:

20 (1) The Army, 489,400.

21 (2) The Navy, 328,400.

22 (3) The Marine Corps, 180,000.

1 (4) The Air Force, 328,600.

2 **Subtitle B—Reserve Forces**

3 **SEC. 411. END STRENGTHS FOR SELECTED RESERVE.**

4 (a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve
5 personnel of the reserve components as of September 30, 2008, as follows:

6 (1) The Army National Guard of the United States, 351,300.

7 (2) The Army Reserve, 205,000.

8 (3) The Navy Reserve, 67,800.

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

10 (5) The Air National Guard of the United States, 106,700.

11 (6) The Air Force Reserve, 67,500.

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

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

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

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

22 Whenever such units or such individual members are released from active duty during any fiscal

1 year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve
2 component shall be increased proportionately by the total authorized strengths of such units and
3 by the total number of such individual members.

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

6 Within the end strengths prescribed in section 411(a), the reserve components of the
7 Armed Forces are authorized, as of September 30, 2008, the following number of Reserves to be
8 serving on full-time active duty or full-time duty, in the case of members of the National Guard,
9 for the purpose of organizing, administering, recruiting, instructing, or training the reserve
10 components:

11 (1) The Army National Guard of the United States, 29,204.

12 (2) The Army Reserve, 15,870.

13 (3) The Navy Reserve, 11,579.

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

15 (5) The Air National Guard of the United States, 13,936.

16 (6) The Air Force Reserve, 2,721.

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

18 The minimum number of military technicians (dual status) as of the last day of fiscal year
19 2008 for the reserve components of the Army and the Air Force (notwithstanding section 129 of
20 title 10, United States Code) shall be the following:

21 (1) For the Army Reserve, 8,249.

22 (2) For the Army National Guard of the United States, 26,502.

1 (3) For the Air Force Reserve, 9,909.

2 (4) For the Air National Guard of the United States, 22,553.

3 **SEC. 414. FISCAL YEAR 2008 LIMITATION ON NUMBER OF NON-DUAL STATUS**
4 **TECHNICIANS.**

5 (a) LIMITATIONS.—

6 (1) NATIONAL GUARD.—Within the limitation provided in section 10217(c)(2) of
7 title 10, United States Code, the number of non-dual status technicians employed by the
8 National Guard as of September 30, 2008, may not exceed the following:

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

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

11 (2) ARMY RESERVE.—The number of non-dual status technicians employed by the
12 Army Reserve as of September 30, 2008, may not exceed 595.

13 (3) AIR FORCE RESERVE.—The number of non-dual status technicians employed
14 by the Air Force Reserve as of September 30, 2008, may not exceed 90.

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

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

20 During fiscal year 2008, the maximum number of members of the reserve components of
21 the Armed Forces who may be serving at any time on full-time operational support duty under
22 section 115(b) of title 10, United States Code, is the following:

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

2 (2) The Army Reserve, 13,000.

3 (3) The Navy Reserve, 6,200.

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

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

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

7 **Subtitle C—Authorization of Appropriations**

8 **SEC. 421. MILITARY PERSONNEL.**

9 This section would authorize \$105,403,698,000 to be appropriated for military personnel.

10 **SEC. 422. ARMED FORCES RETIREMENT HOME.**

11 There is hereby authorized to be appropriated for fiscal year 2008 for the Armed Forces
12 Retirement Home the sum of \$61,624,000 for the operation of the Armed Forces Retirement
13 Home, including the United States Soldiers' and Airmen's Home and the Naval Home.

14 **TITLE V—MILITARY PERSONNEL POLICY**

15 **Subtitle A—Officer Personnel Policy**

16 **SEC. 501. INCREASE IN AUTHORIZED STRENGTHS FOR ARMY OFFICERS**
17 **ON ACTIVE DUTY IN THE GRADE OF MAJOR TO MEET NEW**
18 **FORCE STRUCTURE REQUIREMENTS.**

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

"7,768

8,689
9,611
10,532
11,454
12,375
13,297
14,218
15,140
16,061
16,983
17,903
18,825
19,746
20,668
21,589
22,511
24,354
26,197
28,040
35,412".

1 **SEC. 502. INCREASE IN AUTHORIZED STRENGTHS FOR NAVY OFFICERS ON**
2 **ACTIVE DUTY IN THE GRADES OF LIEUTENANT COMMANDER,**
3 **COMMANDER, AND CAPTAIN TO MEET NEW FORCE STRUCTURE**
4 **REQUIREMENTS.**

5 The table in section 523(a)(2) of title 10, United States Code, is amended by striking the
6 figures under the headings "Lieutenant Commander," "Commander," and "Captain" and inserting
7 the following:

"7,698	5,269	2,222
8,189	5,501	2,334
8,680	5,733	2,447
9,172	5,965	2,559
9,663	6,197	2,671
10,155	6,429	2,784
10,646	6,660	2,896
11,136	6,889	3,007
11,628	7,121	3,120

12,118	7,352	3,232
12,609	7,583	3,344
13,100	7,813	3,457
13,591	8,044	3,568
14,245	8,352	3,718
17,517	9,890	4,467".

1 **SEC. 503. ENHANCED AUTHORITY FOR RESERVE GENERAL AND FLAG**
2 **OFFICERS TO SERVE ON ACTIVE DUTY.**

3 Section 526(d) of title 10, United States Code, is amended to read as follows:

4 "(d) EXCLUSION OF CERTAIN OFFICERS.—(1) The limitations of this section do not apply
5 to a reserve component general or flag officer who is—

6 "(A) on active duty for training; or

7 "(B) on active duty under a call or order specifying a period of less than 180 days.

8 "(2) Notwithstanding the limitation in paragraph (1)(B), the Secretary concerned may
9 authorize not more than ten percent of the number of officers authorized under section 12004 of
10 this title to serve for a period not to exceed 365 days. In determining the maximum number of
11 officers that may serve on active duty at any one time under this paragraph, any fraction shall be
12 rounded down to the next whole number, and at least one officer per service will be authorized
13 under this section."

14 **SEC. 504. REENLISTMENT OF OFFICERS IN THEIR FORMER ENLISTED GRADE.**

15 (a) REGULAR ARMY.—Section 3258 of title 10, United States Code, is amended—

16 (1) in subsection (a)—

17 (A) by striking "a Reserve" and inserting "an"; and

18 (B) by striking "a temporary" and inserting "an"; and

19 (2) in subsection (b)—

1 (A) in paragraph (1), by striking "a Reserve" and inserting "an"; and

2 (B) in paragraph (2), by striking "Reserve".

3 (b) REGULAR AIR FORCE.—Section 8258 of such title is amended—

4 (1) in subsection (a)—

5 (A) by striking "a reserve" and inserting "an"; and

6 (B) by striking "a temporary" and inserting "an"; and

7 (2) in subsection (b)—

8 (A) in paragraph (1), by striking "a Reserve" and inserting "an"; and

9 (B) in paragraph (2), by striking "Reserve".

10 **SEC. 505. DISCHARGE OF PROBATIONARY OFFICERS AND FORCE SHAPING**

11 **AUTHORITY.**

12 (a) ACTIVE-DUTY LIST OFFICERS: YEARS OF ACTIVE COMMISSIONED SERVICE.—Section
13 630(1)(A) of title 10, United States Code, is amended by striking "five" and inserting "six".

14 (b) OFFICER FORCE SHAPING AUTHORITY.—Section 647(b)(1) of such title is amended by
15 striking "5" both places it appears and inserting "6".

16 (c) RESERVE OFFICERS: YEARS OF ACTIVE COMMISSIONED SERVICE.—Section
17 14503(a)(1) of such title is amended by striking "five" and inserting "six".

18 **SEC. 506. ADDITION OF ALL NAVY PERMANENT MILITARY PROFESSORS TO**

19 **THE LIST OF EXEMPTIONS TO DOPMA AUTHORIZED GRADE**

20 **LIMITATIONS.**

21 Section 523(b)(8) of title 10, United States Code, is amended by inserting before the
22 period at the end the following: ", and career military professors (as defined in regulations

1 prescribed by the Secretary of the Navy) of the Naval War College, the Naval Postgraduate
2 School, and any other graduate-level institution established to provide advanced education to
3 members of the Navy and Marine Corps, but not to exceed 35 in addition to those serving at the
4 Naval Academy".

5 **SEC. 507. MANDATORY SEPARATION OF RESERVE OFFICERS IN THE GRADE**
6 **OF LIEUTENANT GENERAL OR VICE ADMIRAL.**

7 Section 14508 of title 10, United States Code, is amended—

8 (1) by redesignating subsections (c), (d) and (e) as subsections (d), (e) and (f),
9 respectively; and

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

11 "(c) THIRTY-EIGHT YEARS OF SERVICE FOR LIEUTENANT GENERALS AND VICE
12 ADMIRALS.—Unless retired, transferred to the Retired Reserve, or discharged at an earlier date,
13 each reserve officer of the Army, Air Force, or Marine Corps in the grade of lieutenant general
14 and each reserve officer of the Navy in the grade of vice admiral shall, 30 days after completion
15 of 38 years of commissioned service, be separated in accordance with section 14514 of this
16 title."

17 **SEC. 508. ADJUSTMENTS IN PAYMENT OF CONTINUATION OF PAY IN**
18 **DISABILITY CLAIMS.**

19 (a) TIME OF ACCRUAL OF RIGHT.—The text of section 8117 of title 5, United States Code,
20 is amended to read as follows:

21 "(a) An employee is not entitled to compensation or continuation of pay within the
22 meaning of section 8118 of this title for the first 3 days of temporary disability, except—

1 "(1) when the disability exceeds 14 days; or

2 "(2) as provided by sections 8103 and 8104 of this title.

3 "(b) An employee may use annual leave, sick leave, or leave without pay during the
4 three-day waiting period provided under subsection (a). If the disability exceeds 14 days, the
5 employee may have their sick leave or annual leave reinstated or receive pay for the time spent
6 on leave without pay under this section."

7 (b) CONTINUATION OF PAY.—Section 8118 of such title is amended—

8 (1) in subsection (b)(1), by inserting ", except as provided under section 8117,"
9 after "time"; and

10 (2) by striking subsection (c) and redesignating subsections (d) and (e) as
11 subsections (c) and (d), respectively.

12 (c) SUBROGATION OF THE UNITED STATES.—Section 8131 of such title is amended—

13 (1) in subsection (a), by inserting "continuation of pay or" after "which" in the
14 matter preceding paragraph (1); and

15 (2) in subsection (c), by inserting "continuation of pay or" after "the amount of".

16 (d) ADJUSTMENT AFTER RECOVERY FROM A THIRD PERSON.—Section 8132 of such title is
17 amended—

18 (1) in the first sentence—

19 (A) by inserting "continuation of pay or" after "for which";

20 (B) by inserting "continuation of pay or" after "entitled to"; and

21 (C) by inserting "continuation of pay and" after "amount of"; and

22 (2) by amending the fourth sentence to read as follows: "If continuation of pay or

1 compensation has not been paid to the beneficiary, the money or property shall be
2 credited against continuation of pay or compensation payable to him by the United States
3 for the same injury."

4 **SEC. 509. TEMPORARY SUSPENSION OF ELIGIBILITY FOR EDUCATION**
5 **BENEFIT.**

6 Section 16165(b) of title 10, United States Code, is amended to read as follows:

7 "(b) EXCEPTION.—Under regulations prescribed by the Secretary of Defense, a member
8 of the Selected Reserve of the Ready Reserve who incurs a break in Selected Reserve service,
9 but remains in the Individual Ready Reserve or Inactive National Guard during such break, may
10 continue to receive educational assistance under this chapter for up to 90 days during such break.
11 However, eligibility for educational assistance shall be suspended after the 90th day of such
12 break until the member returns to service in the Selected Reserve."

13 **SEC. 510. INCREASED TENURE FOR GENERAL AND FLAG OFFICERS.**

14 (a) IN GENERAL.—Sections 636 of title 10, United States Code, is amended—

15 (1) by striking subsections (b) and (c); and

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

17 "(b) EXCEPTION.—Officers serving above the grade of major general or rear admiral may
18 continue to serve without regard to years of service."

19 (b) CONFORMING AMENDMENTS.—

20 (1) Subsection (a) of such section is amended by striking "or (c)".

21 (2) Section 637(b) of such title is amended by striking the last sentence in
22 paragraph (2).

1 (3) Section 14508 of such title is amended—

2 (A) by redesignating subsections (c), (d), and (e) as subsections (d), (e),
3 and (f), respectively; and

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

5 "(c) OFFICERS SERVING ABOVE THE GRADE OF MAJOR GENERAL OR REAR ADMIRAL.—

6 Officers serving above the grade of major general or rear admiral may continue to serve without
7 regard to years of service."

8 **SEC. 511. AMENDMENT OF YEARS OF SERVICE PROVISION TO CONFORM**
9 **WITH EXTENDED MANDATORY RETIREMENT AGE FOR ACTIVE-**
10 **DUTY GENERAL AND FLAG OFFICERS.**

11 Section 637(b)(3) of title 10, United States Code, is amended by striking "but such period
12 may not (except as provided under section 1251(b) of this title) extend beyond the date of the
13 officer's sixty-second birthday" and inserting "except as provided under section 1253 of this
14 title".

15 **Subtitle B—Reserve Component Matters**

16 **SEC. 521. DUTY OF REGULAR MEMBERS OF THE ARMY AND AIR FORCE WITH**
17 **THE NATIONAL GUARD.**

18 Section 315 of title 32, United States Code, is amended by adding at the end the
19 following new subsection:

20 "(c) A commissioned officer or enlisted member of the Regular Army or Regular Air
21 Force detailed, without vacating his or her regular appointment, to duty with the Army National
22 Guard or the Air National Guard of a State, the Commonwealth of Puerto Rico, Guam, the

1 Virgin Islands, or the District of Columbia, may perform any duty authorized to be performed by
2 the laws of the applicable State, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, or
3 the District of Columbia, as appropriate, without regard to the limitations imposed by section
4 1385 of title 18."

5 **SEC. 522. ENFORCEMENT OF VOLUNTARY SERVICE AGREEMENTS.**

6 Section 12301(d) of title 10, United States Code, is amended by adding at the end the
7 following new sentence: "When a member has entered into a written service agreement (other
8 than an agreement under section 12311 of this title) with the Secretary concerned specifying a
9 period or periods of active duty to be performed for a particular mission or requirement, and in
10 the case of a member of the Army National Guard of the United States or the Air National Guard
11 of the United States with the consent of the Governor or other appropriate authority of the State
12 concerned, the member may not withdraw his consent, unless agreed to by the Secretary, and the
13 Secretary may order the member to active duty in accordance with the terms of the service
14 agreement."

15 **SEC. 523. BENEFITS FOR CERTAIN NATIONAL GUARD DUTY.**

16 Section 12602 of title 10, United States Code, is amended—

17 (1) in subsection (a)—

18 (A) by striking "and" at the end of paragraph (2);

19 (B) by striking the period at the end of paragraph (3) and inserting "; and";

20 and

21 (C) by adding at the end the following new paragraph:

22 "(4) duty performed by a member of the Army National Guard of the United

1 States in his status as a member of the Army National Guard under section 502(f) of title
2 32 at the request of the President or the Secretary of Defense shall be considered active
3 duty in Federal service as a Reserve of the Army for the purposes of providing benefits
4 that are provided to Reserve component members performing duty pursuant to an order to
5 active duty under a provision of law referred to in section 101(a)(13)(B) of this title.";
6 and

7 (2) in subsection (b)—

8 (A) by striking "and" at the end of paragraph (2);

9 (B) by striking the period at the end of paragraph (3) and inserting "; and";

10 and

11 (C) by adding at the end the following new paragraph:

12 "(4) duty performed by a member of the Air National Guard of the United States
13 in his status as a member of the Air National Guard under section 502(f) of title 32 at the
14 request of the President or the Secretary of Defense shall be considered active duty in
15 Federal service as a Reserve of the Air Force for the purposes of providing benefits that
16 are provided to Reserve component members performing duty pursuant to an order to
17 active duty under a provision of law referred to in section 101(a)(13)(B) of this title.".

18 **SEC. 524. CONTINUED SERVICE WITHIN TWO YEARS OF RETIREMENT**

19 **ELIGIBILITY.**

20 Section 12686(b) of title 10, United States Code, is amended to read as follows:

21 "(b) **WAIVER.**—With respect to a member of a reserve component who is to be ordered to
22 active duty (other than for training) under section 12301 of this title pursuant to an order to

1 active duty for a single period or multiple periods and who (but for this subsection) would be
2 covered by subsection (a), the Secretary concerned may require, as a condition of such order or
3 multiple orders to active duty, that the member waive the applicability of subsection (a) to the
4 member for the period or periods of active duty covered by that order and may include
5 subsequent orders. In carrying out this subsection, the Secretary concerned may require that a
6 waiver under the preceding sentence be executed before the period of active duty begins. At
7 anytime before commencing a period of active duty covered by such a waiver, the member may
8 withdraw consent to waive the applicability of subsection (a)."

9 **SEC. 525. INCREASE IN THE PERIOD OF TEMPORARY FEDERAL RECOGNITION**
10 **FROM SIX TO TWELVE MONTHS.**

11 Section 308(a) of title 32, United States Code, is amended by striking "six months" and
12 inserting "twelve months".

13 **SEC. 526. NUCLEAR OFFICER INCENTIVE PAY: CONTINUATION PAY**
14 **ELIGIBILITY.**

15 Section 312 of title 37, United States Code, is amended—
16 (1) in subsection (a)(3), by striking "26" and inserting "30"; and
17 (2) in subsection (e)(1), by striking "26" and inserting "30".

18 **Subtitle C—Education and Training**

19 **SEC. 531. ISSUE OF SERVICEABLE MATERIAL OTHER THAN TO ARMED**
20 **FORCES.**

21 (a) IN GENERAL.—Part IV of subtitle C of title 10, United States Code, is amended by
22 adding at the end the following new chapter:

**"CHAPTER 667—ISSUE OF SERVICEABLE MATERIAL OTHER THAN TO ARMED
FORCES**

Sec.

"7911. Arms, tentage, and equipment: educational institutions not maintaining units of ROTC.

"7912. Rifles and ammunition for target practice: educational institutions having corps of cadets.

"7913. Supplies: military instruction camps.

1 **"§ 7911. Arms, tentage, and equipment: educational institutions not maintaining units of**
2 **ROTC**

3 "Under such conditions as he may prescribe, the Secretary of the Navy may issue arms,
4 tentage, and equipment that he considers necessary for proper military training, to any
5 educational institution at which no unit of the Reserve Officers' Training Corps is maintained,
6 but which has a course in military training prescribed by the Secretary and which has at least 50
7 physically fit students over 14 years of age.

8 **"§ 7912. Rifles and ammunition for target practice: educational institutions having corps**
9 **of cadets**

10 "(a) AUTHORITY TO LEND.—The Secretary of the Navy may lend, without expense to the
11 United States, magazine rifles and appendages, that are not of the existing service models in use
12 at the time and that are not necessary for a proper reserve supply, to any educational institution
13 having a uniformed corps of cadets of sufficient number for target practice. He also may issue
14 40
15 rounds of ball cartridges for each cadet for each range at which target practice is held, but not
16 more than 120 rounds each year for each cadet participating in target practice.

17 "(b) RESPONSIBILITIES OF INSTITUTIONS.—The institutions to which property is lent under
18 subsection (a) shall—

- 1 "(1) use the property for target practice;
- 2 "(2) take proper care of the property; and
- 3 "(3) return the property when required.

4 "(c) REGULATIONS.—The Secretary shall prescribe regulations to carry out this section,
5 containing such other requirements as he considers necessary to safeguard the interests of the
6 United States.

7 **"§ 7913. Supplies: military instruction camps**

8 "Under such conditions as he may prescribe, the Secretary of the Navy may issue, to any
9 educational institution at which an officer of the naval service is detailed as professor of naval
10 science, such supplies as are necessary to establish and maintain a camp for the military
11 instruction of its students. The Secretary shall require a bond in the value of the property issued
12 under this section, for the care and safekeeping of that property and, except for property properly
13 expended, for its return when required."

14 (b) CLERICAL AMENDMENT.—The table of chapters for part IV of such title is amended
15 by adding at the end the following new item:

16 "667. Issue of Serviceable Material Other than to Armed Forces 7910."

17 **SEC. 532. AUTHORITY FOR PERMANENT PROFESSORS AT THE SERVICE**

18 **MILITARY ACADEMIES OR MILITARY GRADUATE SCHOOLS TO**
19 **SIT AS MEMBERS OF PROMOTION BOARDS.**

20 Section 612(a)(1) of title 10, United States Code is amended by inserting after "active-
21 duty list" the following: "or a permanent professor at the United States Military Academy or the
22 United States Air Force Academy or the United States Naval Academy (as defined in regulations
23 prescribed by the Secretary of the Navy), or career military professors from any graduate-level

1 institution established to provide advanced education to members of the Army, Navy , Marine
2 Corps or Air Force".

3 **SEC. 533. CAREER MILITARY PROFESSORS OF THE NAVY: PROMOTIONS.**

4 (a) PERMANENT PROFESSORS: UNITED STATES NAVY.—Section 641(2) of title 10, United
5 States Code, is amended to read as follows:

6 "(2) The director of admissions, dean, and permanent professors at the United
7 States Military Academy, the registrar, dean, and permanent professors at the United
8 States Air Force Academy, permanent professors (as defined in regulations prescribed by
9 the Secretary of the Navy) at the United States Naval Academy, and career military
10 professors (as defined in regulations prescribed by the Secretary of the Navy) of the
11 Naval War College, the Naval Postgraduate School, and any other graduate-level
12 institution established to provide advanced education to members of the Navy and Marine
13 Corps."

14 (b) PROMOTIONS.—(1) Chapter 603 of such title is amended by inserting after section
15 6970 the following new section:

16 **"§ 6970a. Permanent professors: promotion**

17 "An officer serving as a permanent professor at the Naval Academy (as defined in
18 regulations prescribed by the Secretary of the Navy) or career military professors (as defined in
19 regulations prescribed by the Secretary of the Navy) of the Naval War College, the Naval
20 Postgraduate School, and any other graduate-level institution established to provide advanced
21 education to members of the Navy and Marine Corps in the grade of commander or lieutenant
22 colonel may be recommended for promotion to the grade of captain or colonel under regulations

1 prescribed by the Secretary of the Navy, such promotion to be effective no earlier than six years
2 after selection as a permanent professor or career military professor. An officer so recommended
3 shall be promoted by appointment to the higher grade by the President, by and with the advice
4 and consent of the Senate."

5 (2) The table of sections at the beginning of such chapter is amended by inserting after
6 the item relating to section 6970 the following new item:

7 "6970a. Permanent professors: promotion."

8 **Subtitle D—General Service Authorities**

9 **SEC. 541. SHORTEN EIGHT YEAR MANDATORY SERVICE OBLIGATION FOR**
10 **QUALIFIED HEALTH PROFESSIONALS IN CRITICAL SPECIALTIES.**

11 Section 651 of title 10, United States Code, is amended by adding at the end the
12 following new subsection:

13 "(c) The Secretary of Defense may waive the required service provisions of subsection
14 (a) for initial appointments of commissioned officers in critically short health professional
15 specialties, as determined by the Secretary of Defense. However, no such waiver shall reduce
16 the period of obligated service to a period of less than two years, and no waiver can reduce the
17 period of obligated service below the period for which an individual accepted an accession bonus
18 or Multiyear Special Pay contract."

19 **SEC. 542. REINSTATEMENT OF ENHANCED AUTHORITY FOR SELECTIVE**
20 **EARLY RETIREMENT.**

21 (a) ENHANCED AUTHORITY FOR SELECTIVE EARLY RETIREMENT.—Section 638a of title
22 10, United States Code, is amended—

1 (1) in subsection (a)—

2 (A) by striking "October 1, 1990" and inserting "October 1, 2007"; and

3 (B) by striking "December 31, 2001" and inserting "December 31, 2012";

4 and

5 (2) in subsection (c)(1), by inserting before the period at the end of the second
6 sentence the following: "; provided, however, that from October 1, 2007 through
7 December 31, 2012, such number may be more than 30 percent of the number of officers
8 considered in each competitive category, but may not be more than 30 percent of the
9 number of officers considered in each grade".

10 (b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect
11 to agreements entered into under section 1175a of title 10, United States Code, on or after the
12 date of the enactment of this Act.

13 **Subtitle E—Military Justice Matters**

14 **SEC. 551. PERMIT SECRETARY TO DESIGNATE PERSONS ELIGIBLE FOR**
15 **LEGAL ASSISTANCE.**

16 Section 1044(a) of title 10, United States Code, is amended by adding at the end the
17 following new paragraph:

18 "(6) Other persons designated in regulations prescribed by the Secretary
19 concerned."

20 **Subtitle F—Defense Dependents Education System**

21 **SEC. 561. PRIVATE TUITION FOR MILITARY DEPENDENTS IN REMOTE**
22 **OVERSEAS AREAS.**

1 Section 1407(b)(1) of the Defense Dependents' Education Act of 1978 (20 U.S.C.
2 926(b)(1)) is amended by inserting ", including private boarding school schools in the U.S.," in
3 the first sentence after "subsection (a)".

4 **Subtitle G—Other Matters**

5 **SEC. 571. ELIMINATION OF ANNUAL LIMIT ON NUMBER OF ROTC**

6 **SCHOLARSHIPS UNDER ARMY RESERVE AND NATIONAL GUARD** 7 **PROGRAM.**

8 Subsection (h) of section 2107a of title 10, United States Code, is amended by striking
9 "not more than 416 cadets each year under this section, to include" and inserting "each year
10 under this section".

11 **SEC. 572. CREATION OF UNIFORM MILITARY BAND PERFORMANCE**

12 **AUTHORITY; CLARIFICATION OF CIRCUMSTANCES THAT** 13 **CREATE COMPETITION WITH LOCAL CIVILIAN MUSICIANS.**

14 (a) IN GENERAL.—Chapter 49 of title 10, United States Code, is amended by adding at
15 the end the following new section:

16 **"§ 988. Uniform military band performance authority**

17 "(a) DEPARTMENT OF DEFENSE BANDS.—Department of Defense bands, ensembles,
18 choruses, or similar musical units, including individual members thereof performing in an
19 official capacity, shall not perform music in competition with local civilian musicians or receive
20 remuneration for official performances.

21 "(b) DEFINITION.—As used in this section, the term 'perform music in competition with
22 local civilian musicians'—

1 "(1) includes, but is not limited to, performances—

2 "(A) that are more than incidental to events that are not supported solely
3 by appropriated funds and are not free to the public; and

4 "(B) of background, dinner, dance, or other social music at events,
5 regardless of location, that are not supported solely by appropriated funds; but

6 "(2) does not include performances—

7 "(A) at official Federal Government events that are supported solely by
8 appropriated funds;

9 "(B) at concerts, parades, and other events that are patriotic events or
10 celebrations of national holidays and are free to the public; or

11 "(C) that are incidental, including short performances of military or
12 patriotic music to open or close events, to events that are not supported solely by
13 appropriated funds, in compliance with applicable rules and regulations.

14 "(c) MEMBERS OF DEPARTMENT OF DEFENSE BANDS.—Members of Department of
15 Defense bands, ensembles, choruses, or similar musical units may perform music in their
16 personal capacity, as individuals or part of a group, for remuneration or otherwise, when not
17 wearing a military uniform, not identifying themselves as members of the Department of
18 Defense, and in compliance with all applicable regulations and standards of conduct.

19 "(d) RECORDINGS.—Department of Defense bands, ensembles, choruses, or similar
20 musical units, when authorized pursuant to Department of Defense regulation, may produce
21 recordings for distribution to the public at a cost not to exceed production and distribution
22 expenses, and payments from such recordings shall be credited back to the appropriation

1 enabling such expenses."

2 (b) CLERICAL AND CONFORMING AMENDMENTS.—(1) The table of sections at the
3 beginning of such chapter is amended by adding at the end the following new item:

4 "988. Uniform military band performance authority."

5 (2) Sections 3634, 6223, and 8634 of such title are repealed.

6 **SEC. 573. RECOVERY OF MISSING MILITARY PROPERTY BY THE NAVY**
7 **AND MARINE CORPS.**

8 (a) IN GENERAL.—Chapter 661 of title 10, United States Code, is amended by adding at
9 the end the following new sections:

10 **"§ 7864. Property accountability: regulations**

11 "The Secretary of the Navy may prescribe regulations for the accounting for Navy and
12 Marine Corps property and the fixing of responsibility for that property.

13 **"§ 7865. Individual equipment: unauthorized disposition**

14 "(a) PROHIBITION.—No member of the Navy or the Marine Corps may sell, lend, pledge,
15 barter, or give any clothing, arms, or equipment furnished him by the United States to any person
16 other than a member of the Navy or the Marine Corps, or an officer of the United States,
17 authorized to receive it.

18 "(b) SEIZURE OF PROPERTY.—If a member of the Navy or the Marine Corps has disposed
19 of property in violation of subsection (a) and it is in the possession of a person who is neither a
20 member of the Navy or the Marine Corps, nor an officer of the United States, authorized to
21 receive it, that person has no right to or interest in the property, and any civil or military officer
22 of the United States may seize it, wherever found. Possession of such property furnished by the
23 United States to a member of the Navy or the Marine Corps, by a person who is neither a

1 member of the Navy or the Marine Corps, nor an officer of the United States, is prima facie
2 evidence that it has been disposed of in violation of subsection (a).

3 "(c) RETENTION OF SEIZED PROPERTY.—If an officer who seizes property under
4 subsection (b) is not authorized to retain it for the United States, he shall deliver it to a person
5 who is authorized to retain it."

6 (b) CLERICAL AMENDMENTS.—The table of sections at the beginning of such chapter is
7 amended by adding at the end the following new items:

8 "7864. Property accountability: regulations.

9 "7865. Individual equipment: unauthorized disposition .".

10 **SEC. 574. FLEXIBLE MANAGEMENT OF DEPLOYMENTS OF MEMBERS.**

11 (a) IN GENERAL.—Section 991 of title 10, United States Code, is amended—

12 (1) by amending subsection (a) to read as follows:

13 "(a) MANAGEMENT RESPONSIBILITIES.—(1) The Secretary concerned shall prescribe
14 regulations to manage the deployment of a member of the armed forces in his military
15 department to ensure that the member is not deployed, or continued in a deployment, beyond
16 prescribed high-deployment thresholds for the consecutive days for which the member may be
17 deployed and the total number of days on which the member has been deployed out of the
18 preceding 730 days. The regulations shall—

19 "(A) specify the high-deployment thresholds;

20 "(B) establish procedures to ensure that members are aware of their deployment
21 days; and

22 "(C) specify the approval process which must take place before a member may be
23 deployed, or continued in a deployment, beyond the high-deployment thresholds.

1 "(2) The Secretary of Defense shall approve—

2 "(A) the high-deployment thresholds for the military departments; and

3 "(B) the procedures for the payment of hardship duty pay under section 305 of
4 title 37 for those members of the armed forces who experience hardship duty by being
5 deployed in excess of approved high-deployment thresholds.";

6 (2) in subsection (b)—

7 (A) in paragraph (1)—

8 (i) by striking "a training exercise or" and inserting "an"; and

9 (ii) by inserting "as designated by the Secretary concerned" after

10 "circumstances";

11 (B) in paragraph (3)—

12 (i) by striking "or" at the end of subparagraph (B);

13 (ii) by striking the period at the end of subparagraph (C) and

14 inserting a semicolon; and

15 (iii) by adding at the end the following new subparagraphs:

16 "(D) performing non-operational temporary duty including conferences
17 and seminars; or

18 "(E) participating in training or exercises as designated by the Secretary
19 concerned."; and

20 (C) in paragraph (4)—

21 (i) in the first sentence—

22 (I) by striking "The Secretary of Defense" and inserting

1 "The Secretary concerned"; and

2 (II) by inserting "with the approval of the Secretary of
3 Defense" after "(2)"; and

4 (ii) by striking the second sentence;

5 (3) by striking subsection (d); and

6 (4) by redesignating subsection (e) as subsection (d).

7 (b) REPEAL OF HIGH-DEPLOYMENT ALLOWANCE AND STRENGTHENING OF HARDSHIP

8 DUTY PAY.—

9 (1) Section 436 of title 37, United States Code, is repealed.

10 (2) The text of section 305 of such title is amended to read as follows:

11 "(a) AUTHORITY.—A member of a uniformed service who is entitled to basic pay may be
12 paid special pay under this section while the member is performing duty in the United States or
13 outside the United States that is designated by the Secretary of Defense as hardship duty.

14 Special pay payable under this section may be paid on a monthly basis or in a lump sum.

15 "(b) WRITTEN AGREEMENT.—The Secretary concerned shall require a member
16 performing service in an assignment designated under subsection (a) to enter into a written
17 agreement with the Secretary in order to qualify for the payment of special pay on a lump sum
18 basis under this section. The written agreement shall specify the period for which the special pay
19 will be paid to the member and, subject to subsection (c), the amount of the lump sum of the
20 special pay.

21 "(c) MAXIMUM RATE OR AMOUNT.—(1) The maximum monthly rate of special pay
22 payable to a member on a monthly basis under this section is \$1,500.

1 "(2) The amount of the lump sum payment of special pay payable to a member on a lump
2 sum basis under this section may not exceed an amount equal to the product of—

3 "(A) the maximum monthly rate authorized under paragraph (1) at the time of the
4 written agreement of the member under subsection (b); and

5 "(B) the number of months in the period for which hardship duty pay will be paid
6 pursuant to the agreement.

7 "(3) If a member extends an assignment specified in an agreement with the Secretary
8 under subsection (b), special pay for the period of the extension may be paid under this section
9 on a monthly basis or in a lump sum in accordance with this section.

10 "(d) REPAYMENT.—A member who enters into an agreement under this section and
11 receives special pay under the agreement in a lump sum, but who fails to complete the period of
12 service covered by the payment, shall be subject to the repayment provisions of section 303a(e)
13 of this title.

14 "(e) RELATIONSHIP TO OTHER PAY AND ALLOWANCES.—Special pay paid to a member
15 under this section is in addition to any other pay and allowances to which the member is entitled.

16 "(f) REGULATIONS.—The Secretary of Defense shall prescribe regulations for the
17 provision of hardship duty pay under subsection (a), including the specific rates at which the
18 special pay will be available."

19 **TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS**

20 **Subtitle A—Pay and Allowances**

21 **SEC. 601. ALLOWANCE FOR RESERVE SCREENING.**

22 (a) ALLOWANCE FOR ELECTRONIC SCREENING.—Chapter 7 of title 37, United States

1 Code, is amended by inserting after section 433 the following new section:

2 **"§ 433a. Allowance for participation in Ready Reserve screening**

3 "(a) SCREENING ALLOWANCE.—Under uniform regulations prescribed by the Secretaries
4 concerned, a member of the Individual Ready Reserve may be paid a stipend for participation in
5 the screening performed pursuant to section 10149 of title 10, in lieu of muster duty performed
6 under section 12319 of title 10, when such participation is conducted through electronic means.

7 "(b) MAXIMUM PAYMENT.—The amount of the stipend under this section shall not exceed
8 \$50 in any calendar year.

9 "(c) BAR TO RETIREMENT CREDIT.—Participation in the screening under this section shall
10 not be credited in determining entitlement to, or in computing, retired pay under chapter 1223 of
11 title 10.

12 "(d) PAYMENT REQUIREMENTS.—(1) The stipend authorized by this section may not be
13 disbursed in kind.

14 "(2) The stipend may be paid to the member on or after the date the screening is
15 performed, but not later than 30 days after that date.

16 "(3) The stipend shall constitute the single, flat-rate monetary allowance authorized for
17 the performance of the screening and shall constitute payment in full to the member, regardless
18 of the grade or rank in which the member is serving.

19 "(e) BAR TO INACTIVE DUTY COMPENSATION.—A member who participates in screening
20 conducted through electronic means pursuant to this section is not entitled to compensation for
21 inactive-duty training under section 206(a) of this title for the same period."

22 (b) CONFORMING AND CLERICAL AMENDMENTS.—

1 (1) CONFORMING AMENDMENTS.—

2 (A) BAR TO DUAL COMPENSATION.—Section 206 of such title is amended
3 by adding at the end the following new subsection:

4 "(f) A member of the National Guard or a member of a reserve component of a
5 uniformed service is not entitled to compensation under this section when the member received
6 compensation under section 433a of this title."

7 (B) BAR TO RETIREMENT CREDIT.—Section 12732(b) of title 10, United
8 States Code, is amended by adding at the end the following new paragraph:

9 "(8) Service performed through electronic screening, regardless of compensation
10 received under section 433a of title 37."

11 (2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 7
12 of title 37, United States Code, is amended by inserting after the item relating to section
13 433 the following new item:

14 "433a. Allowance for participation in Ready Reserve screening."

15 **SEC. 602. JROTC INSTRUCTOR STIPENDS FOR HARD-TO-FILL AREAS.**

16 Section 2031(d) of title 10, United States Code, is amended—

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

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

19 "(2)(A) When determined by the Secretary concerned to be in the national
20 interest, and agreed upon by the institution concerned, an institution may reimburse the
21 moving expenses of a Junior Reserve Officer's Training Corps instructor who signs a
22 written agreement to serve a minimum commitment of two years of employment at that
23 institution in a hard-to-fill position, due to geographic or economic factors and as

1 determined by the Secretary concerned. This payment is separate from the minimum
2 instructor pay.

3 "(B) In the case of payment of such additional amounts by the institution
4 concerned to cover the moving expenses, the Secretary concerned shall reimburse the
5 institution in an amount equal to the amount paid by the institution. Such payments by
6 the Secretary shall be made from funds appropriated for that purpose.

7 "(C) Amounts paid under this paragraph shall be subject to regulations
8 promulgated by the Secretary of Defense."

9 **SEC. 603. INCOME REPLACEMENT PAYMENTS FOR RESERVES EXPERIENCING**
10 **EXTENDED AND FREQUENT MOBILIZATION FOR ACTIVE DUTY**
11 **SERVICE.**

12 Section 910 of title 37, United States Code, is amended—

13 (1) in subsection (a), by inserting ", when the total monthly military compensation
14 of the member is less than the average monthly civilian income" after "by the Secretary";

15 (2) by amending subsection (b) to read as follows:

16 "(b) ELIGIBILITY.—Subject to subsection (c), a reserve component member is entitled to a
17 payment under this section for any full month of active duty of the member—

18 "(1) while on active duty under an involuntary mobilization order, following the
19 date on which the member—

20 "(A) completes 18 continuous months of service on active duty under such
21 an order;

22 "(B) completes 730 cumulative days on active duty under an involuntary

1 mobilization order during the previous 1,826 days; or

2 "(C) is involuntarily mobilized for service on active duty for a period of
3 180 days or more within 180 days following the member's separation from a
4 previous period of active duty for period of 180 days or more; or

5 "(2) when the member who qualified for income replacement payments under
6 paragraph (1) is retained on active duty under section 12301(h)(1)(A) or (B) of title 10
7 because of an injury or illness incurred or aggravated while deployed to an area
8 designated for special pay under section 310 of this title. Once the member is released
9 from active duty, entitlement to pay under this section terminates."; and

10 (3) by amending subsection (g) to read as follows:

11 "(g) TERMINATION OF AUTHORITY.—Payment under this section shall only be made for
12 service performed on or before December 31, 2008."

13 **SEC. 604. REVISIONS TO TUITION ASSISTANCE AUTHORITY.**

14 (a) REVISION TO AUTHORITY TO REDUCE OR WAIVE ACTIVE DUTY SERVICE
15 OBLIGATION.—Section 2007(b) of title 10, United States Code, is amended—

16 (1) in paragraph (1)—

17 (A) by inserting "(other than a member of the Ready Reserve)" after
18 "active duty" the first place it appears; and

19 (B) by striking "or full-time National Guard duty" both places it appears;
20 and

21 (2) in paragraph (2)(B), by inserting "for which ordered to active duty" after
22 "active duty service".

1 (b) AUTHORITY TO PAY TUITION ASSISTANCE TO MEMBERS OF THE READY RESERVE.—

2 Subsection (c) of such section is amended to read as follows:

3 "(c)(1) As provided in subsection (a) and subject to paragraphs (2) and (3), the Secretary
4 of a military department may pay the charges of an educational institution for the tuition or
5 expenses of a member of the Ready Reserve. For members of the Individual Ready Reserve, the
6 Secretary of a military department will selectively determine if any military operational
7 specialties qualify for this benefit.

8 "(2) The Secretary may not pay charges under paragraph (1) for tuition or expenses of an
9 officer of the Selected Reserve of the Ready Reserve unless the officer agrees to remain a
10 member of the Selected Reserve for at least four years after completion of the education or
11 training for which the charges are paid.

12 "(3) The Secretary may not pay charges under paragraph (1) for tuition or expenses of an
13 officer of the Ready Reserve who is not an officer of the Selected Reserve unless the officer
14 agrees to remain in the Ready Reserve for at least four years after completion of the education or
15 training for which the charges are paid. For the Individual Ready Reserve, the Secretary of a
16 military department will selectively determine if any military operational specialties qualify for
17 this benefit.

18 "(4) The Secretary may require a service obligation for enlisted members of the Selected
19 Reserve or Ready Reserve for up to four years in the Selected Reserve or Ready Reserve after
20 completion of education or training for which tuition or expenses are paid under paragraph (1)."

21 (c) ELIMINATION OF UNNECESSARY PROVISION.—Such section is further amended—

22 (1) by striking subsection (d); and

1 (2) by redesignating subsections (e) and (f) as subsections (d) and (e),
2 respectively.

3 (d) REPAYMENT OF UNEARNED BENEFIT.—Subsection (e) of such section, as redesignated
4 by subsection (c), is amended—

5 (1) by inserting "(1)" after "(f)"; and

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

7 "(2) If a member of the Ready Reserve who enters into an agreement under subsection (c)
8 does not complete the period of service specified in the agreement, the member shall be subject
9 to the repayment provisions of section 303a(e) of title 37."

10 (e) REGULATIONS.—Such section is further amended by adding at the end the following
11 new subsection (f):

12 "(f) This section shall be administered under regulations prescribed by the Secretary of
13 Defense for the armed forces under his jurisdiction and by the Secretary of Homeland Security
14 for the Coast Guard when it is not operating as a service in the Navy."

15 **SEC. 605. MONTGOMERY GI BILL FOR THE SELECTED RESERVE BENEFITS**
16 **FOR CERTAIN MEMBERS AFFECTED BY FORCE SHAPING**
17 **INITIATIVES.**

18 Section 16133(b)(1)(B) of title 10, United States Code, is amended—

19 (1) by striking "October 1, 1991" and inserting "October 1, 2007"; and

20 (2) by striking "December 31, 2001" and inserting "December 31, 2011".

21 **SEC. 606. EXTENDED SERVICEMEMBERS' GROUP LIFE INSURANCE.**

22 (a) EXTENDED INSURANCE COVERAGE DURING THE FORCE SHAPING PERIOD.—Section

1 1968(a) of title 38, United States Code, is amended—

2 (1) in paragraph (1)—

3 (A) by redesignating subparagraph (B) as subparagraph (C); and

4 (B) by inserting after subparagraph (A) the following new subparagraph

5 (B):

6 "(B) 180 days after release or separation from active duty or active duty
7 for training, if such person's separation or release is the result of force reduction
8 that begins October 1, 2007, and ends December 31, 2011, and such person
9 requests the additional 60 days of coverage."; and

10 (2) in paragraph (4)—

11 (A) by inserting "—(A)" after "shall cease";

12 (B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii),
13 respectively;

14 (C) in clause (ii), as so redesignated—

15 (i) by redesignating clauses (i) and (ii) as subclauses (I) and (II),
16 respectively; and

17 (ii) by striking the period at the end and inserting "; or"; and

18 (D) by adding at the end the following new subparagraph:

19 "(B) 180 days after separation or release from such assignment by reason
20 of the inactivation of the person's unit of assignment beginning October 1, 2007,
21 and ending December 31, 2011, and such person requests the additional 60 days
22 of coverage."

1 (b) PAYMENT OF PREMIUMS.—Such section is further amended—

2 (1) by redesignating subsection (b) as subsection (c); and

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

4 "(b)(1) The total amount of the cost attributable to insuring a person under subsection
5 (a)(1)(B) shall be paid by the member prior to separation or release from active duty or active
6 duty for training.

7 "(2) The total amount of the cost attributable to insuring a person under subsection
8 (a)(4)(B) shall be paid by the member prior to the separation or release from assignment."

9 **SEC. 607. MODIFICATION OF MONTGOMERY GI BILL PARTICIPATION**

10 **ELECTION AND EDUCATIONAL LOAN REPAYMENT.**

11 Section 3011(c)(1) of title 38, United States Code, is amended by inserting "unless that
12 individual enlists with an incentive under section 2171 of title 10. Such an individual shall make
13 the election either at the time the individual enters active duty or at the time of reenlistment.
14 Notwithstanding section 3011(b) of this title, the pay of an individual who elects to participate at
15 the time of reenlistment shall be reduced by \$100.00 for each of the first 12 months of their
16 second term of enlistment. " after "on active duty as a member of the Armed Forces".

17 **Subtitle B—Bonuses and Special and Incentive Pays**

18 **SEC. 611. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAYS FOR**
19 **RESERVE FORCES.**

20 (a) SPECIAL PAY FOR HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME
21 SPECIALTIES.—Section 302g(e) of title 37, United States Code, is amended by striking
22 "December 31, 2007" and inserting "December 31, 2008".

1 (b) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(g) of such title is
2 amended by striking "December 31, 2007" and inserting "December 31, 2008".

3 (c) SELECTED RESERVE AFFILIATION OR ENLISTMENT BONUS.—Section 308c(i) of such
4 title is amended by striking "December 31, 2007" and inserting "December 31, 2008".

5 (d) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY
6 UNITS.—Section 308d(c) of such title is amended by striking "December 31, 2007" and inserting
7 "December 31, 2008".

8 (e) READY RESERVE NON-PRIOR SERVICE ENLISTMENT BONUS.—Section 308g(f)(2) of
9 such title is amended by striking "December 31, 2007" and inserting "December 31, 2008".

10 (f) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(e) of such
11 title is amended by striking "December 31, 2007" and inserting "December 31, 2008".

12 (g) PRIOR SERVICE REENLISTMENT BONUS.—Section 308i(f) of such title is amended by
13 striking "December 31, 2007" and inserting "December 31, 2008".

14 (h) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO
15 SERVE IN THE SELECTED RESERVE.—Section 16302(d) of title 10, United States Code, is
16 amended by striking "January 1, 2008" and inserting "January 1, 2009".

17 **SEC. 612. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAY**

18 **AUTHORITIES FOR CERTAIN HEALTH CARE PROFESSIONALS.**

19 (a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10,
20 United States Code, is amended by striking "December 31, 2007" and inserting "December 31,
21 2008".

22 (b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United

1 States Code, is amended by striking "December 31, 2007" and inserting "December 31, 2008".

2 (c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of such title
3 is amended by striking "December 31, 2007" and inserting "December 31, 2008".

4 (d) ACCESSION BONUS FOR DENTAL OFFICERS.—Section 302h(a)(1) of such title is
5 amended by striking "December 31, 2007" and inserting "December 31, 2008".

6 (e) ACCESSION BONUS FOR PHARMACY OFFICERS.—Section 302j(a) of such title is
7 amended by striking "December 31, 2007" and inserting "December 31, 2008".

8 (f) ACCESSION BONUS FOR MEDICAL OFFICERS IN CRITICALLY SHORT WARTIME
9 SPECIALTIES.—Section 302k(f) of such title is amended by striking "December 31, 2007" and
10 inserting "December 31, 2008".

11 (g) ACCESSION BONUS FOR DENTAL SPECIALIST OFFICERS IN CRITICALLY SHORT
12 WARTIME SPECIALTIES.—Section 302l(g) of such title is amended by striking "December 31,
13 2007" and inserting "December 31, 2008".

14 **SEC. 613. ONE-YEAR EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES**
15 **FOR NUCLEAR OFFICERS.**

16 (a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE
17 SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking "December 31,
18 2007" and inserting "December 31, 2008".

19 (b) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by
20 striking "December 31, 2007" and inserting "December 31, 2008".

21 (c) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is
22 amended by striking "December 31, 2007" and inserting "December 31, 2008".

1 **SEC. 614. EXCEPTION TO 25 YEARS OF ACTIVE DUTY LIMIT FOR RECEIPT OF**
2 **CRITICAL SKILLS RETENTION BONUS.**

3 Section 323(e) of title 37, United States Code, is amended by adding at the end the
4 following new paragraph:

5 "(4) The limitations in paragraph (1) may be waived by the Secretary of Defense,
6 or by the Secretary of Homeland Security with respect to the Coast Guard when it is not
7 operating as a service in the Navy, with respect to a member who is assigned duties in a
8 designated critical skill during the period of active duty for which the bonus is being
9 offered. This authority may not be delegated below the Undersecretary of Defense for
10 Personnel and Readiness or the Deputy Secretary of the Department of Homeland
11 Security with respect to the Coast Guard when it is not operating as a service in the
12 Navy."

13 **SEC. 615. ENHANCEMENT OF REFERRAL BONUS TO ENCOURAGE SERVICE IN**
14 **THE ARMY.**

15 (a) INDIVIDUALS ELIGIBLE FOR BONUS.—Subsection (a)(1) of section 645 of the National
16 Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163; 119 Stat. 3310) is
17 amended by striking "enlists" and inserting "enlists, or is appointed as an officer to serve in a
18 health profession designated by the Secretary,".

19 (b) EXTENSION OF AUTHORITY.—Subsection (h) of such section is amended by striking
20 "December 31, 2007" and inserting "December 31, 2010".

21 (c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date
22 of the enactment of this Act and shall apply with respect to bonuses payable under section 645 of

1 the National Defense Authorization Act for Fiscal Year 2006, as amended by this or any other
2 section, on or after that date.

3 **SEC. 616. ENHANCEMENT OF SELECTED RESERVE ACCESSION BONUS**

4 **AUTHORITY.**

5 Section 308c(c)(1) of title 37, United States Code, is amended—

6 (1) by inserting "(A)" after "(1)";

7 (2) by striking "and" at the end of subparagraph (A), as redesignated, and
8 inserting "or"; and

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

10 "(B) has previously served in the armed forces but was released from such
11 service prior to completion of the training required by section 671 of title 10,
12 provided such service was characterized as either honorable or uncharacterized;
13 and".

14 **SEC. 617. SPECIAL PAY: REENLISTMENT BONUS FOR MEMBERS OF THE**

15 **SELECTED RESERVE.**

16 Section 308b of title 37, United States Code, is amended—

17 (1) in subsection (a)(2), by striking "for a period of three years or for a period of
18 six years" and inserting "for a period of not less than three years"; and

19 (2) in subsection (b)(1), by striking "may not exceed" and all that follows through
20 the end and inserting "may not exceed \$15,000."

21 **SEC. 618. INCREASE IN INCENTIVE SPECIAL PAY AND MULTIYEAR**

22 **RETENTION BONUS FOR MEDICAL OFFICERS OF THE ARMED**

1 **FORCES.**

2 (a) INCENTIVE SPECIAL PAY.—Section 302(b)(1) of title 37, United States Code, is
3 amended by striking "\$50,000" and inserting "\$75,000".

4 (b) MULTIYEAR RETENTION BONUS.—Section 301d(a)(2) of such title is amended by
5 striking "\$50,000" and inserting "\$75,000".

6 **SEC. 619. INCREASE IN DENTAL OFFICER ADDITIONAL SPECIAL PAY.**

7 Section 302b(a)(4) of title 37, United States Code, is amended—

8 (1) by striking "at the following rates" in the matter preceding subparagraph (A)
9 and inserting "at a rate determined by the Secretary concerned, not to exceed";

10 (2) in subparagraph (A), by striking "\$4,000" and inserting "\$10,000"; and

11 (3) in subparagraph (B), by striking "\$6,000" and inserting "\$12,000".

12 **SEC. 620. ACCESSION BONUS FOR PARTICIPANTS IN THE ARMED FORCES**
13 **HEALTH PROFESSIONAL SCHOLARSHIP AND FINANCIAL**
14 **ASSISTANCE PROGRAM.**

15 Section 2127 of title 10, United States Code, is amended by adding at the end the
16 following new subsection:

17 "(f)(1) In order to increase participation in the program under this subchapter, the
18 Secretary of Defense may offer to a person who signs an agreement under section 2122 of this
19 title an accession bonus of not more than \$20,000.

20 "(2) In the case of an individual who receives an accession bonus under this subsection,
21 but fails to commence or complete obligated service under this subchapter, the repayment
22 provisions of section 324(f) of title 37 shall apply to the accession bonus under this subsection."

1 **Subtitle C—Retired Pay and Survivor Benefits**

2 **SEC. 621. WAIVER OF RECOUPMENT OF OVERPAYMENTS OF RETIRED PAY**
3 **TO SPOUSE OR FORMER SPOUSE AS A RESULT OF RETROACTIVE**
4 **DISABILITY DETERMINATION.**

5 Section 2774 of title 10, United States Code, is amended by adding at the end the
6 following new subsection:

7 "(g)(1) The Director of the Office of Management and Budget or the Secretary
8 concerned, as the case may be, shall waive any claim for overpayment against a spouse or former
9 spouse of a member if—

10 "(A) the payment was disposable retired pay that, pursuant to section 1408 of this
11 title, a court treated as property for the purpose of issuing a final decree of divorce,
12 dissolution, annulment, or legal separation, including a court ordered, ratified, or
13 approved property settlement incident to such decree; and

14 "(B) the claim for overpayment is attributable to a determination of entitlement to
15 disability compensation under title 38.

16 "(2) In this section:

17 "(A) The term 'court' has the meaning given such term in section 1408(a)(1) of
18 this title.

19 "(B) The term 'disposable retired pay' has the meaning given such term in section
20 1408(a)(4) of this title.

21 "(C) The term 'final decree' has the meaning given such term in section 1408(a)(3)
22 of this title.

1 "(D) The term 'member' has the meaning given such term in section 1408(a)(5) of
2 this title.

3 "(E) The term 'spouse or former spouse' has the meaning given such term in
4 section 1408(a)(6) of this title."

5 **SEC. 622. SURVIVOR BENEFIT PLAN; EXTENSION OF PERIOD FOR ELECTION**
6 **DEEMED TO HAVE BEEN MADE.**

7 (a) IN GENERAL.—Section 1450(f)(3)(C) of title 10, United States Code, is amended by
8 striking "one year" and inserting "five years".

9 (b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to
10 divorces, dissolutions, annulments, or legal separations that become effective after the end of the
11 90-day period beginning on the date of enactment of this Act.

12 **SEC. 623. ALLOWING MEMBER TO SUBMIT APPLICATION FOR DIRECT**
13 **PAYMENT.**

14 (a) PERMIT APPLICATION FOR DIRECT PAYMENT BY MEMBER.—Section 1408(d) of title
15 10, United States Code, is amended in the first sentence of paragraph (1) by inserting "by a
16 member or former member or the spouse or former spouse of such member" after "the Secretary
17 concerned".

18 (b) CONDITIONS FOR DIRECT PAYMENT.—Section 1408(d) of such title is further amended
19 by adding at the end the following new paragraph:

20 "(8) A former spouse who accepts payment shall be deemed—

21 "(A) to have consented and agreed to the recovery of any future
22 overpayments, including recovery by involuntary collection from the former

1 spouse or his or her estate; and

2 "(B) to have agreed to give prompt notice in writing to the Secretary if—

3 "(i) the operative court order upon which payment is based is
4 vacated, modified, or set aside;

5 "(ii) the former spouse remarries, if all or a part of the payment is
6 for alimony; or

7 "(iii) the former spouse is ineligible for child support payments due
8 to the death, emancipation, adoption, or attainment of majority of a child
9 whose support is provided through direct payment to a former spouse from
10 retired pay."

11 (c) EFFECTIVE DATE.—The amendments made by this section shall apply to applications
12 for direct payment of retired pay submitted to the Secretary concerned after the end of the 90-day
13 period beginning on the date of enactment of this Act.

14 **SEC. 624. DIVISION OF RETIRED PAY TO BE BASED ON MEMBER'S LENGTH OF**
15 **SERVICE AND PAY GRADE AT TIME OF DIVORCE.**

16 (a) IN GENERAL.—Section 1408(c) of title 10, United States Code, is amended by adding
17 at the end the following new paragraph:

18 "(5) In the case of a member as to whom a decree of divorce, dissolution,
19 annulment, or legal separation becomes final before the date on which the member begins
20 to receive retired pay, the total monthly retired pay to which a member is entitled, for
21 purposes of determining 'disposable retired pay,' as defined in paragraph (4) of subsection
22 (a), that a court may treat in the manner described in paragraph (1), shall be limited to

1 retired pay computed based on the pay grade, and the length of service of the member
2 while married, that are creditable toward entitlement to basic pay and to retired pay as of
3 the date a marital property interest in retired pay terminates. Amounts so calculated shall
4 be increased by the cumulative percentage of increases in basic pay and retired pay
5 between the date a marital property interest in retired pay terminates and the effective
6 date of the member's retirement. Upon request and pursuant to regulations, the Secretary
7 concerned shall calculate disposable retired pay described in this paragraph."

8 (b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect
9 to divorces, dissolutions, annulments, and legal separations that become effective after the end of
10 the 90-day period beginning on the date of enactment of this Act.

11 **SEC. 625. INCREASES FOR DIVISIONS OF RETIRED PAY EXPRESSED AS A**
12 **DOLLAR AMOUNT.**

13 (a) MONETARY AMOUNT ADJUSTMENT.—Section 1408(a)(2)(C) of title 10, United States
14 Code, is amended by striking "expressed in dollars" and inserting "expressed as a specific dollar
15 amount, with such amount, if so ordered, being adjusted in the same manner and at the same time
16 as retired pay is adjusted to reflect changes in the Consumer Price Index under section 1401a of
17 this title,".

18 (b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect
19 to court orders that become effective after the end of the 90-day period beginning on the date of
20 enactment of this Act.

21 **SEC. 626. LUMP SUM PAYMENTS TO FORMER SPOUSES OF MEMBERS OF THE**
22 **UNIFORMED SERVICES.**

1 (a) AUTHORITY FOR LUMP SUM PAYMENT.—(1) Chapter 74 of title 10, United States
2 Code, is amended by adding at the end the following new section:

3 **"§ 1468. Lump sum payments for certain amounts payable to former spouse**

4 "(a) If the present value of a periodic amount described in subsection (b) payable to a
5 former spouse does not exceed \$5,000, the Secretary concerned shall pay, in a lump sum, an
6 amount equal to such present value to the former spouse eligible for such benefit.

7 "(b) A periodic amount described in this subsection means:

8 "(1) An annuity under the Survivor Benefit Plan (subchapter II of chapter 73 of
9 this title).

10 "(2) Payment of retired pay pursuant to a court order resulting from the treatment
11 by the court under section 1408(c) of this title of disposable retired pay of a member of
12 the uniformed services as the property of the member and his spouse.

13 "(c) With the consent of the former spouse, the Secretary concerned may pay, in a lump
14 sum, an amount equal to the present value of a periodic amount described in subsection (b) in
15 excess of \$5,000.

16 "(d) Payment of a lump sum under subsection (a) or (c) of this section shall constitute full
17 payment of the amounts described in subsection (b) to the former spouse.

18 "(e) For purposes of this section, the term 'present value' means the present value
19 calculated by using the mortality table, interest rate, and actuarial assumptions pursuant to
20 regulations prescribed by the Secretary of Defense.

21 "(f) If a former spouse eligible for a payment under subsection (b) or (c) of this section
22 elects to have all or a portion of such payment paid directly to an eligible retirement plan, and

1 specifies the eligible retirement plan to which such payment is to be paid (in such form and at
2 such time as the Secretary concerned may prescribe), such payment shall be made in the form of
3 a transfer by the Secretary concerned to the trustee of the eligible retirement plan so specified.
4 For purposes of the preceding sentence, the term 'eligible retirement plan' has the same meaning
5 as 'eligible retirement plan' for purposes of section 414(v)(2)(B) of the Internal Revenue Code of
6 1986 (26 U.S.C. 414(v)(2)(B))."

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

9 "1468. Lump sum payments for certain amounts payable to former spouse."

10 (b) ROLLOVER TREATMENT FOR LUMP SUM PAYMENTS PAID TO FORMER SPOUSES OF
11 MEMBERS OF THE UNIFORMED SERVICES.—Section 414 of the Internal Revenue Code of 1986
12 (relating to definitions and special rules) is amended by adding at the end the following new
13 subsection:

14 "(w) LUMP SUM PAYMENTS TO FORMER SPOUSES OF MEMBERS OF THE UNIFORMED
15 SERVICES.—(1) ELIGIBLE FOR ROLLOVER TREATMENT.—For purposes of this part including
16 section 408, relating to individual retirement accounts, any amount of a lump sum payment paid
17 to an individual under the authority of section 1468 of title 10, United States Code, shall be
18 considered an amount paid out of an individual retirement account to the individual for whose
19 benefit the account is maintained and eligible for rollover treatment under section 402(c)(6).

20 "(2) TRANSFER BY SECRETARY CONCERNED TO TRUSTEE.—Any amount of lump sum
21 payment transferred by the Secretary concerned to a trustee of an eligible retirement plan in
22 accordance with section 1468 of title 10, United States Code, shall be treated as an amount
23 transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) and, as a

1 result, shall not be includible in gross income for the taxable year of such transfer. For purposes
2 of this paragraph, the term 'eligible retirement plan' has the meaning given such term by section
3 401(a)(31)(D)."

4 **SEC. 627. PROHIBIT COURT-ORDERED PAYMENTS BEFORE RETIREMENT**
5 **BASED ON IMPUTATION OF RETIRED PAY.**

6 (a) AUTHORITY.—Section 1408(c)(3) of title 10, United States Code, is amended—

7 (1) by inserting "(A)" after "(3)"; and

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

9 "(B) A court may not order a member to make payments based upon an
10 imputation of a property interest in future retired pay of any kind to a spouse or
11 former spouse before the date of the member's actual retirement."

12 (b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to final court
13 orders or court orders seeking enforcement of prior final decrees issued on or after the date of the
14 enactment of this Act.

15 **SEC. 628. REVOCATION OF TEN-YEAR RULE FOR DIRECT PAYMENT OF**
16 **RETIRED PAY.**

17 (a) REVOCATION OF TEN-YEAR RULE.—Section 1408(d) of title 10, United States Code, is
18 amended—

19 (1) by striking paragraph (2); and

20 (2) by redesignating paragraphs (3) through (7) as paragraphs (2) through (6),
21 respectively.

22 (b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first

1 day of the first month which begins more than 120 days after the date of enactment of this Act
2 and shall apply only to payments of retired pay for periods beginning on or after the effective
3 date of this section in the case of any former spouse of a member or former member of the
4 uniformed services.

5 **SEC. 629. SURVIVOR BENEFIT PLAN; MULTIPLE BENEFICIARIES.**

6 (a) PERMIT SPOUSE AND FORMER SPOUSE COVERAGE.—Section 1448(b)(2) of title 10,
7 United States Code, is amended—

8 (1) in subparagraph (B)—

9 (A) by striking "prevents payment" and inserting "reduces the amount";

10 and

11 (B) by striking "including payment" and inserting "including the amount
12 of an annuity"; and

13 (2) in subparagraph (C), by striking "which former spouse is to be provided the
14 annuity" and inserting "the base amount applicable in determining the amount of the
15 annuity of each former spouse".

16 (b) PERMIT SPOUSE AND FORMER SPOUSE ANNUITIES.—Section 1450(a)(1) of such title is
17 amended to read as follows:

18 "(1) SURVIVING SPOUSE AND FORMER SPOUSE(S).—The eligible surviving spouse
19 and every eligible former spouse."

20 (c) PERMIT REDUCTIONS IN RETIRED PAY IN THE CASE OF MULTIPLE BENEFICIARIES.—

21 Section 1452 of such title is amended by adding at the end the following new subsection:

22 "(k) REDUCTIONS IN RETIRED PAY IN THE CASE OF MULTIPLE BENEFICIARIES.—When a

1 participant in the Plan has elected to provide an annuity to a spouse and to one or more former
2 spouses, reductions in retired pay required by subsection (a) shall be made for each annuity
3 elected, in an amount based on the base amount applicable to each annuity. In the case of a
4 reduction in retired pay to provide an annuity to a former spouse to whom payment of a portion
5 of a member's retired pay is being made pursuant to a court order under section 1408 of this title,
6 such reduction in retired pay shall be deducted from the amounts paid to such member, to such
7 former spouse, or both, as provided by court order or by agreement of the parties."

8 (d) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) apply with
9 respect to elections made on or after the date of enactment of this Act. Any election to provide an
10 annuity to a spouse or former spouse who was prevented from being a beneficiary under the laws
11 in effect before the date of enactment of this Act shall be made within 180 days following the
12 date of enactment of this Act.

13 (e) COVERAGE FOR SURVIVORS OF RETIREMENT-ELIGIBLE MEMBERS WHO DIE ON ACTIVE
14 DUTY.—(1) Section 1448(d) of such title is amended—

15 (A) in paragraph (3), by striking "the Secretary—(A) may not pay an annuity
16 under paragraph (1) or (2); but (B)" and inserting "the Secretary"; and

17 (B) by amending paragraph (5) to read as follows:

18 "(5) COMPUTATION.—(A) The amount of an annuity payable to a former spouse
19 pursuant to paragraph (3) shall be computed on the basis of a base amount equal to the
20 amount of retired pay that, under the authority of section 1408(c) of this title, is treated
21 under a court order or spousal agreement as the property of such former spouse.

22 "(B) The amount of an annuity payable under paragraph (1) or (2) shall be

1 computed under section 1451(c) of this title; however, the retired pay otherwise
2 applicable with respect to such computation shall be reduced by an amount equal to the
3 base amount that provides the basis for computing the amount of an annuity payable to a
4 former spouse under paragraph (3) of this subsection."

5 (2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply with respect
6 to survivors of retirement-eligible members who die on active duty on or after the date of
7 enactment of this Act.

8 (f) COVERAGE FOR SURVIVORS OF PERSONS DYING WHEN ELIGIBLE TO ELECT RESERVE-
9 COMPONENT ANNUITY.—(1) Section 1448(f) of such title is amended—

10 (A) by striking "the Secretary—(A) may not pay an annuity under paragraph (1)
11 or (2); but (B)" and inserting "the Secretary"; and

12 (B) by amending paragraph (4) to read as follows:

13 "(4) COMPUTATION.—(A) The amount of an annuity payable to a former spouse
14 pursuant to paragraph (3) shall be computed on the basis of a base amount equal to the
15 amount of retired pay that, under the authority of section 1408(c) of this title, is treated
16 under a court order or spousal agreement as the property of such former spouse.

17 "(B) The amount of an annuity payable under paragraph (1) or (2) shall be
18 computed under section 1451(c) of this title; however, the retired pay otherwise
19 applicable with respect to such computation shall be reduced by an amount equal to the
20 base amount that provides the basis for computing the amount of an annuity payable to a
21 former spouse under paragraph (3) of this subsection."

22 (2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply with respect

1 to survivors of persons eligible to elect reserve-component annuity retirement-eligible members
2 who die on or after the date of enactment of this Act.

3 **SEC. 630. SURVIVOR BENEFIT PLAN; FINANCIAL RESPONSIBILITY FOR**
4 **SURVIVOR BENEFIT PLAN PARTICIPATION.**

5 (a) SPOUSE AND FORMER SPOUSE ANNUITIES.—Section 1452(a) of title 10, United States
6 Code, is amended—

7 (1) in paragraph (1), by inserting "paragraph (6) of this subsection or" after
8 "Except as provided in"; and

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

10 "(6) COURT ORDER.—If a court order requires the former spouse to pay all or a
11 part of the costs associated with providing an annuity to the former spouse, the
12 participant's retired pay shall not be reduced by the portion that the former spouse is
13 required to pay. The portion of Plan costs that a former spouse is required to pay
14 pursuant to a Court order under this paragraph must either be paid by direct remittance or
15 as a deduction from the former spouse's share of the member's retired pay that is received
16 by direct payment pursuant to section 1408 of this title."

17 (b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to
18 divorces, dissolutions, annulments, or legal separations that become effective after the end of the
19 90-day period beginning on the date of enactment of this Act.

20 **SEC. 631. SURVIVOR BENEFIT PLAN; PRESUMPTIVE PROPORTIONATE SHARE.**

21 (a) PRESUMPTIVE BASE AMOUNT FOR FORMER SPOUSE.—Section 1447(6) of title 10,
22 United States Code, is amended by adding at the end the following new subparagraph:

1 **TO INCLUDE MULTI-CREW SHIPS.**

2 Section 305a(e)(1)(A) of title 37, United States Code, is amended—

3 (1) by striking "or" at the end of clause (ii); and

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

5 "(iv) while serving as an off-cycle crewmember of a multi-crewed
6 ship; or".

7 **SEC. 652. ESTABLISHMENT OF ARMY INCENTIVE FUND.**

8 (a) ESTABLISHMENT OF FUND.—Part II of subtitle B of title 10, United States Code, is
9 amended by adding at the end the following new chapter:

"CHAPTER 376—FUND FOR PAYMENT OF INCENTIVES AND BONUSES

"Sec.
"4101. Fund for payment of incentives and bonuses.

10 **"§ 4101. Fund for payment of incentives and bonuses**

11 "(a) ESTABLISHMENT OF FUND.—There is established on the books of the Treasury a fund
12 to be known as the Army Incentive Fund (hereinafter in this section referred to as the 'Fund'),
13 which shall be administered by the Secretary of the Treasury. The Fund shall be used for the
14 accumulation of funds in order to finance on an actuarially sound basis Army bonus and
15 incentive liabilities that have been specifically authorized by law to be paid from the Fund.

16 "(b) DEFINITIONS.—In this section:

17 "(1) The term 'specifically authorized Army bonus and incentive liabilities' means
18 liabilities of the Department of the Army for a bonus or incentive under—

19 "(A) chapter 5 of title 37, that is specifically authorized by law to be paid
20 from the Fund; or

1 "(B) section 681 of the National Defense Authorization Act for Fiscal
2 Year 2006 (Public Law 109-163).

3 "(2) The term 'normal cost', with respect to any period of time, means the present
4 value of future bonuses and incentives payable to persons who during such period qualify
5 for a bonus or incentive authorized by law to be paid from the Fund.

6 "(c) ASSETS OF THE FUND.—There shall be deposited into the Fund the following, which
7 shall constitute the assets of the Fund:

8 "(1) Amounts paid into the Fund under subsection (g).

9 "(2) Any amount appropriated directly to the Fund.

10 "(3) Any return on investment of the assets of the Fund.

11 "(d) PAYMENTS FROM THE FUND.—The Secretary of the Treasury shall transfer from the
12 Fund to the Secretary of the Army only such amounts as are necessary to enable the Secretary to
13 make required payments of specifically authorized Army bonus and incentive liabilities, as
14 defined in subsection (b)(1). The Secretary of the Treasury and the Secretary of the Army shall
15 enter into an agreement as to how and when, and the amounts in which, such transfers shall be
16 made. Except for investments under subsection (h), amounts in the Funds may not be used for
17 any purpose other than transfers described in this subsection.

18 "(e) BOARD OF ACTUARIES.—The Board of Actuaries established under section 2006(e)
19 of this title (hereinafter in this section referred to as the 'Board') shall report to the Secretary of
20 Defense annually on the actuarial status of the Fund and shall furnish its advice and opinion on
21 matters referred to it by the Secretary.

22 "(f) DETERMINATIONS OF CONTRIBUTIONS TO THE FUND.—(1) The Secretary of Defense

1 shall carry out periodic actuarial valuations of any program for a bonus or incentive authorized to
2 be paid from the Fund.

3 "(2) Based on the most recent such valuation, the Secretary of Defense shall estimate the
4 normal cost for such program for the next fiscal year.

5 "(3) At the time of such evaluation, the Secretary of Defense shall make determinations
6 for such program in the same manner, as far as practicable, as determinations are made under
7 paragraphs (3) and (4) of section 2006(f) of this title.

8 "(4) Based on the determinations under paragraphs (2) and (3), the Secretary of Defense
9 shall determine the amount needed to be appropriated to the Department of the Army for the next
10 fiscal year for payments to be made to the Fund under subsection (g).

11 "(5) All determinations under this subsection shall be made using methods and
12 assumptions approved by the Board (including assumptions of interest rates) and in accordance
13 with generally accepted actuarial principles and practices.

14 "(g) PAYMENTS INTO THE FUND.—(1) The Secretary of the Army shall pay into the Fund
15 each month the amount that, based upon the most recent actuarial valuation of a program for a
16 bonus or incentive authorized to be paid from the Fund, is equal to the normal cost for the
17 program for the preceding month.

18 "(2) The Secretary of the Army shall pay into the Fund at the beginning of each fiscal
19 year (or as soon thereafter as appropriations are available for such purpose) an amount, if any,
20 for the amortization of any liability to the Fund, or actuarial gain or loss to the Fund, related to
21 the determinations made under subsection (f)(3).

22 "(3) Amounts paid into the Fund under this section shall be paid from appropriations

1 available for the pay of members of the Army.

2 "(h) INVESTMENTS OF ASSETS OF THE FUND.—The Secretary of the Army may request the
3 Secretary of the Treasury to invest such portion of the fund as is not, in the judgment of the
4 Secretary of the Army, required to meet current withdrawals. Such investments shall be made by
5 the Secretary of the Treasury in public debt securities with maturities suitable to the needs of the
6 fund, as determined by the Secretary of the Army, and bearing interest at a rate determined by
7 the Secretary of the Treasury, taking into consideration current market yields on outstanding
8 marketable obligations of the United States of comparable maturity.

9 "(i) TRANSFER OF FUNDS AFTER TERMINATION.—If the use of the Fund is terminated, as
10 determined by the Secretary of the Army, and the amount in the Fund is in excess of all liabilities
11 for future payments for bonuses and incentives for which funds were transferred into the Fund,
12 the amount by which the amount in the Fund exceeds the liabilities may be transferred to the
13 appropriation that is available for the pay of members of the Army at the time of the transfer."

14 (b) CLERICAL AMENDMENTS.—The tables of chapters for part II of subtitle B of such title
15 is amended by adding at the end the following new item:

16 "376. Fund for Payment of Incentives and Bonuses 4101."

17 **SEC. 653. EXPANSION OF SELECTED RESERVE EDUCATION LOAN**

18 **REPAYMENT PROGRAM.**

19 (a) ADDITIONAL LOANS ELIGIBLE FOR REPAYMENT.—Paragraph (1) of section 16301(a)
20 of title 10, United States Code, is amended—

21 (1) by striking "or" at the end of subparagraph (B)

22 (2) by striking the period at the end of subparagraph (C) and inserting "; or"; and

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

1 "(D) any loan incurred for educational purposes made by a lender that is—

2 "(i) an agency or instrumentality of a State;

3 "(ii) a financial or credit institution (including an insurance
4 company) that is subject to examination and supervision by an agency of
5 the United States or any State;

6 "(iii) a pension fund approved by the Secretary for purposes of this
7 section; or

8 "(iv) a nonprofit private entity designated by a State, regulated by
9 such State, and approved by the Secretary for purposes of this section."

10 (b) ELIGIBILITY OF OFFICERS.—Paragraph (2) of such section is amended—

11 (1) by striking "Except as provided in paragraph (3), the Secretary" and inserting
12 "The Secretary"; and

13 (2) by striking "an enlisted member of the Selected Reserve of the Ready Reserve
14 of an armed force in a reserve component and military specialty" and inserting "a
15 member of the Selected Reserve of the Ready Reserve of an armed force in a reserve
16 component and officer program or military specialty".

17 (c) CONFORMING AMENDMENTS.—Such section is further amended—

18 (1) by striking paragraph (3); and

19 (2) in the heading, by striking "**enlisted members of Selected Reserve with**
20 **critical specialties**" and inserting "**members of the Selected Reserve**".

21 (d) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1609 of
22 such title is amended by striking the item relating to section 16301 and inserting the following

1 new item:

2 "16301. Education loan repayment program: members of the Selected Reserve."

3 **SEC. 654. REEMPLOYMENT RIGHTS FOLLOWING CERTAIN NATIONAL GUARD**
4 **DUTY.**

5 Section 4312(c)(4) of title 38, United States Code, is amended—

6 (1) by striking "or" at the end of subparagraph (D);

7 (2) by striking the period at the end of subparagraph (E) and inserting "; or"; and

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

9 "(F) ordered to full-time National Guard duty under the provisions of
10 section 502(f) of title 32 when the period of duty is designated by the Secretary of
11 Defense as covered by this subparagraph."

12 **SEC. 655. ALLOW MEMBER TO WAIVE NOTICE AND PROVIDE COURT ORDER**
13 **UPON REQUEST.**

14 (a) ALLOW MEMBER TO WAIVE NOTICE AND PROVIDE COURT ORDER UPON REQUEST.—

15 Section 1408(g) of title 10, United States Code, is amended—

16 (1) by striking "A person" and inserting "Unless notice is waived by the member,
17 a person"; and

18 (2) by striking "(together with a copy of such order)" and inserting "and, upon
19 request, a copy of such order".

20 (b) EFFECTIVE DATE.—The amendments made by this section shall apply to court orders
21 received by the Secretary concerned after the end of the 90-day period beginning on the date of
22 enactment of this Act.

23 **SEC. 656. DISREGARD PERIODS OF CONFINEMENT FOR DEPENDENT VICTIMS**

1 **OF ABUSE.**

2 (a) **DISREGARD PERIODS OF CONFINEMENT FOR DEPENDENT VICTIMS OF ABUSE.**—

3 Paragraph (2)(A) of section 1408(h) of title 10, United States Code, is amended by inserting
4 "(including any periods of confinement served prior to convening authority action on the record
5 of trial related to the misconduct that resulted in the termination of eligibility to receive retired
6 pay)" after "on the basis of years of service".

7 (b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall be effective as of
8 October 23, 1992, as if included in section 1408(h) of title 10, United States Code, as enacted by
9 section 653(a)(2) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law
10 102-484).

11 **SEC. 657. CLARIFYING AMENDMENT REGARDING JURISDICTION FOR**
12 **PURPOSES OF ALLOCATION OF RETIRED PAY UNDER THE**
13 **UNIFORMED SERVICES FORMER SPOUSE PROTECTION ACT.**

14 Section 1408(c) of title 10, United States Code, is amended by striking paragraph (4).

15 **SEC. 658. OVERSEAS NATURALIZATION OF MILITARY FAMILY MEMBERS.**

16 Section 319 of the Immigration and Nationality Act (8 U.S.C. 1430) is amended by
17 adding at the end the following new subsection:

18 "(e) In the case of a person lawfully admitted for permanent residence who is the spouse
19 or child of a member of the Armed Forces authorized to accompany such member and reside
20 abroad with the member pursuant to the member's official orders, and who is so accompanying
21 and residing with the member (in marital union if a spouse), such residence and physical
22 presence abroad shall be treated as residence and physical presence in any State or district of the

1 Department of Homeland Security in the United States for the purpose of satisfying the
2 requirements of this section or sections 316 or 322 of this Act for naturalization, and for the
3 purpose of satisfying section 101(a)(13)(C)(i) or (ii) of this Act."

4 (b) OVERSEAS NATURALIZATION AUTHORITY.—Section 1701(d) of the National Defense
5 Authorization Act for Fiscal Year 2004 (Public Law 108-136; 8 U.S.C. 1443a) is amended by
6 inserting ", and persons eligible for naturalization under section 319(e) of the Immigration and
7 Nationality Act," after "Armed Forces".

8 (c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date
9 of enactment of this Act and apply to any application pending before the Secretary of Homeland
10 Security on or after the date of enactment.

11 **TITLE VII—HEALTH CARE PROVISIONS**

12 **TRICARE Program Improvements**

13 **SEC. 701. REVISING TRICARE PROGRAM COST SHARING AMOUNTS.**

14 (a) AUTHORITY.—Section 1086(b) of title 10, United States Code, is amended by adding
15 at the end the following new paragraph:

16 "(5) Notwithstanding paragraphs (1) through (4), the Secretary of Defense shall
17 promulgate regulations to revise the requirements for payments by beneficiaries under
18 this subsection in order to reflect increases in health care costs. Such requirements,
19 which may include a revised deductible amount, an enrollment fee, and future indexing,
20 need not be uniform for all such beneficiaries. Any such enrollment fee may be a
21 condition of eligibility for health care benefits under chapter 55 of this title."

22 (b) IMPLEMENTATION.—The Secretary of Defense shall promulgate the regulations

1 required by section 1086(b)(5) of title 10, United States Code, as added by subsection (a), after
2 first considering the recommendations of the Task Force on the Future of Military Health Care
3 regarding the beneficiary and Government cost sharing structure required to sustain military
4 health benefits over the long term, as required by subsections (c)(3)(H) and (e)(1) of section 711
5 of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-
6 364; 120 Stat. 2285). The regulations shall become effective not later than 90 days after the date
7 of enactment of this Act. The Secretary shall submit the regulations, and a report describing the
8 rationale for the changes promulgated, to the Committees on Armed Services of the Senate and
9 House of Representatives at least 30 days before such regulations become effective.

10 **SEC. 702. EXCLUSION OF SURROGACY MATERNITY AND INFANT CARE.**

11 (a) IN GENERAL.—Chapter 55 of title 10, United States Code, is amended by inserting
12 after section 1074k the following new section:

13 **"§ 1074l. Exclusion of surrogacy maternity and infant care**

14 "(a) IN GENERAL.—Health care services, including pre-natal care, maternity care, and
15 newborn infant care, arising from a surrogate pregnancy are excluded under this chapter.

16 "(b) EMERGENCY HEALTH CARE SERVICES.—Subsection (a) does not preclude the
17 provision of emergency health care services in facilities of the uniformed services on a
18 reimbursable basis.

19 "(c) DEFINITION.—As used in this section, the term 'surrogate pregnancy' means a
20 pregnancy in which a fertile woman who is not the wife of the sperm donor agrees, whether or
21 not for a fee, to be impregnated for the purpose of carrying to term a child to be surrendered to
22 the care of the sperm donor and his wife or to any other person or persons."

1 (b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is
2 amended by inserting after the item related to section 1074k the following new item:

3 "1074l. Exclusion of surrogacy maternity and infant care."

4 **SEC. 703. SUSPENSION OF HEALTH CARE ELIGIBILITY FOR FRAUD.**

5 (a) IN GENERAL.—Section 1073 of title 10, United States Code, is amended by adding at
6 the end the following new subsection:

7 "(c) SUSPENSION OF HEALTH CARE ELIGIBILITY FOR FRAUD.—In the case of any covered
8 beneficiary who knowingly makes or causes to be made or conspires, aids, or assists in, agrees
9 to, arranges for, or in any way procures the making or presentation of a false or fraudulent
10 affidavit, declaration, certificate, statement, voucher, or paper (including by electronic means)
11 concerning any claim for benefits for such covered beneficiary or his or her dependent under this
12 chapter, the Secretary may at his option, notwithstanding any other provision of this chapter,
13 limit, restrict, or suspend the eligibility under this chapter of that covered beneficiary for such
14 period, not exceeding five years, as the Secretary deems appropriate. The Secretary shall, after
15 consultation with the other administering Secretaries, establish by regulation procedures,
16 including notice and opportunity for a hearing, for the implementation of this subsection."

17 (b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect 90 days
18 after enactment of this Act.

19 **TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT,**
20 **AND RELATED MATTERS**

21 **Subtitle A—Acquisition Policy and Management**

22 **SEC. 801. UNIFIED COMBATANT COMMAND FOR JOINT WARFIGHTING**

1 **EXPERIMENTATION: ACQUISITION AUTHORITY.**

2 Section 167a of title 10, United States Code, is amended—

3 (1) in subsection (a), by striking "and acquire" and inserting ", acquire and
4 sustain"; and

5 (2) by striking subsection (f).

6 **SEC. 802. LIMITED AUTHORIZATION TO ACQUIRE ITEMS PRODUCED IN IRAQ**
7 **OR AFGHANISTAN FOR USE BY IRAQI OR AFGHANI FORCES.**

8 Notwithstanding any other provision of law, the head of the contracting activity in Iraq or
9 Afghanistan may authorize the use of funds appropriated or otherwise made available to the
10 Department of Defense for the procurement of any article or item covered by subparagraphs (B)
11 through (E) of section 2533a(b)(1) of title 10, United States Code, that is grown, reprocessed,
12 reused, or produced outside the United States, provided that:

13 (1) such procurement is conducted in Iraq or Afghanistan in support of
14 contingency operations;

15 (2) such article or item is grown, reprocessed, reused, or produced in Iraq or
16 Afghanistan;

17 (3) such article or item is to be used only by the military forces, police, or other
18 security personnel of the nation of Iraq or Afghanistan; and

19 (4) offers are requested from as many potential sources as is practicable under the
20 circumstances.

21 **SEC. 803. AUTHORITY TO USE SIMPLIFIED ACQUISITION PROCEDURES FOR**
22 **CERTAIN COMMERCIAL ITEMS.**

1 Section 4202 of the Clinger Cohen Act (division D of Public Law 104-106; 110 Stat. 652;
2 10 U.S.C. 2304 note) is amended by striking subsection (e).

3 **SEC. 804. MINIMUM ANNUAL PURCHASE FOR CIVIL RESERVE AIR FLEET**
4 **CONTRACTS.**

5 (a) IN GENERAL.—Chapter 931 of title 10, United States Code, is amended by adding at
6 the end the following new section:

7 **"§ 9515. Minimum annual purchase for Civil Reserve Air Fleet contracts**

8 "(a) IN GENERAL.—The Secretary of Defense is authorized to award to air carriers or air
9 carrier teaming arrangements (carriers) participating in the Civil Reserve Air Fleet (CRAF)
10 program annual airlift contracts with a minimum purchase amount determined in accordance
11 with this section.

12 "(b) MINIMUM ANNUAL CONTRACT AWARDS.—Such contract minimum purchase amount
13 shall be based on forecast needs but may not be for more than eighty percent of the annual
14 average expenditures of airlift for the prior 5-year period. Unusually high demand years, such as
15 during a conflict, will normally be omitted to obtain a more accurate forecast. Award amounts
16 shall be divided among said carriers proportional to their relative commitments to the CRAF
17 program.

18 "(c) DISTRIBUTION OF AMOUNTS.—Should any of the amounts set aside for the annual
19 minimum airlift purchase not be utilized to purchase actual transportation from a carrier to whom
20 said contract is awarded, such remainder must be transferred to the carrier; however,
21 proportional adjustment shall be made for periods when services from the carrier were
22 unavailable for usage by the Department of Defense, such as refused business, suspended

1 operations, or when the air carrier is placed in non-use status pursuant to section 2640 of this title
2 for safety issues. If the cumulative annual purchases of actual transportation services exceed the
3 minimum annual contract amount for a carrier, no additional amount will be transferred.

4 "(d) MERGER OF FUNDS.—Amounts available to the military departments for
5 transportation equal to the proportional share of usage by each military department shall be
6 transferred to the transportation working capital fund to fund the award of said contracts. Each
7 military department shall be entitled to obtain transportation of equal value or transfer that
8 entitlement to other military departments or Department of Defense units. Such transferred value
9 shall be merged with the appropriations of the receiving unit."

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

12 "9515. Minimum annual purchase for Civil Reserve Air Fleet contracts."

13 **SEC. 805. STREAMLINE JURISDICTION OVER GOVERNMENT CONTRACT**

14 **CLAIMS, DISPUTES AND APPEALS ARISING OUT OF MARITIME**
15 **CONTRACTS.**

16 Section 4 of the Contract Disputes Act of 1978 (41 U.S.C. 603) is amended to read as
17 follows:

18 "SEC. 4. Appeals under subsection (g) of section 8 and suits under section 10 arising out
19 of maritime contracts shall be governed exclusively by this Act."

20 **SEC. 806. REVISIONS TO REQUIRED RECEIPT OBJECTIVES FOR PREVIOUSLY**
21 **AUTHORIZED DISPOSALS FROM THE NATIONAL DEFENSE**
22 **STOCKPILE.**

23 (a) FISCAL YEAR 2000 DISPOSAL AUTHORITY.—Paragraph (5) of section 3402(b) of the

1 National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-65; 50 U.S.C. 98d
2 note), as amended by section 3302 of the National Defense Authorization Act for Fiscal Year
3 2006 (Public Law 109-163; 119 Stat. 3546), is amended by striking "\$600,000,000 before" and
4 inserting "\$730,000,000 by".

5 (b) FISCAL YEAR 1999 DISPOSAL AUTHORITY.—Section 3303(a) of the Strom Thurmond
6 National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261; 50 U.S.C. 98d
7 note), as amended by section 3302(a) of the John Warner National Defense Authorization Act
8 for Fiscal Year 2007 (Public Law 109-364; 120 Stat. 2513), is amended by striking
9 "\$1,016,000,000" in paragraph (7) and inserting "\$1,469,102,000".

10 **Subtitle B—Amendments to General Contracting Authorities, Procedures,**
11 **and Limitations**

12 **SEC. 811. REPEALING THE SUNSET PROVISION OF THE ACQUISITION**
13 **WORKFORCE TRAINING FUND.**

14 Section 37(h)(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 433(h)(3)) is
15 striking subparagraph (H).

16 **SEC. 812. REVITALIZATION OF DEPARTMENT OF DEFENSE LABORATORIES.**

17 (a) LABORATORY REVITALIZATION.—Section 2805 of title 10, United States Code, is
18 amended—

19 (1) by redesignating subsection (d) as subsection (e); and

20 (2) by inserting after subsection (c) the following new subsection (d):

21 "(d) LABORATORY REVITALIZATION.—(1) For the revitalization and recapitalization of
22 laboratories owned by the United States and under the jurisdiction of the Secretary concerned,

1 the Secretary may spend from appropriations available—

2 "(A) for operation and maintenance amounts necessary to carry out an unspecified
3 minor military construction project costing not more than \$2,000,000; or

4 "(B) for military construction not otherwise authorized by law amounts necessary
5 to carry out an unspecified minor military construction project costing not more than
6 \$5,000,000.

7 "(2) For projects conducted pursuant to this subsection, \$2,000,000 shall be the amount
8 applied for purposes of subsection (b)(1).

9 "(3) For purposes of this subsection, the term 'laboratory' includes—

10 "(A) a research, engineering, and development center;

11 "(B) a test and evaluation activity; and

12 "(C) any buildings, structures, or facilities located at and supporting such centers
13 or activities.

14 "(4) For purposes of this subsection, the amounts allowed to be applied in any one fiscal
15 year to projects at any one laboratory shall be limited in size to the larger of the amounts
16 applicable as set forth in subsection (d)(1)."

17 (b) **STYLISTIC AMENDMENTS.**—Such section is further amended—

18 (1) in subsection (a), by inserting "MILITARY CONSTRUCTION FUNDING.—" after
19 "(a)";

20 (2) in subsection (b), by inserting "NOTIFICATIONS.—" after "(b)";

21 (3) in subsection (c), by inserting "OPERATION AND MAINTENANCE FUNDING.—"
22 after "(c)"; and

1 (4) in subsection (e), as redesignated by subsection (a)(1), by inserting
2 "LIMITATIONS.—" after "(e)".

3 **SEC. 813. EXTENSION OF THE AUTHORITY TO CARRY OUT CERTAIN**
4 **PROTOTYPE PROJECTS.**

5 Section 845(i) of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C.
6 2371 note) is amended by striking "September 30, 2008" and inserting "September 30, 2013".

7 **SEC. 814. QUALIFICATIONS FOR PUBLIC AIRCRAFT STATUS OF AIRCRAFT**
8 **UNDER CONTRACT WITH THE ARMED FORCES.**

9 (a) AMENDMENT TO DEFINITION.—Section 40102(a)(41)(E) of title 49, United States
10 Code, is amended—

11 (1) by inserting "or an operational support service" after "transportation"; and

12 (2) by adding at the end the following new sentence: "For purposes of this
13 paragraph, 'an operational support service' means a mission performed by an air operator
14 that uses fixed or rotary winged aircraft to provide a service other than transportation.".

15 (b) ARMED FORCES OPERATIONAL MISSION.—Section 40125(c) of such title is
16 amended—

17 (1) in paragraph (1)(C), by inserting "or an operational support service" after
18 "transportation"; and

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

20 "(3) COMPLIANCE OF CIVIL AIRCRAFT OPERATIONS.—If the Secretary of Defense
21 (or the Secretary of the department in which the Coast Guard is operating) does not make
22 a designation under paragraph (1)(C) with regard to a chartered aircraft, the

1 transportation or operational support service provided to the armed forces by such aircraft
2 must be in compliance with the Federal Aviation Regulations under title 14, Code of
3 Federal Regulations."

4 (c) TECHNICAL CORRECTIONS.—

5 (1) Section 40125(b) of such title is amended by striking "40102(a)(37)" each
6 place it appears and inserting "40102(a)(41)".

7 (2) Section 40125(c) of such title is amended by striking "40102(a)(37)(E)" each
8 place it appears and inserting "40102(a)(41)(E)".

9 **SEC. 815. EXTENDING THE DETERMINATION OF SHORTAGE CATEGORY**

10 **POSITIONS FOR CERTAIN FEDERAL ACQUISITION POSITIONS.**

11 Section 1413(b) of the National Defense Authorization Act for Fiscal Year 2004 (Public
12 Law 108-136; 117 Stat. 1665), is amended by striking "September 30, 2007" and inserting
13 "September 30, 2012".

14 **SEC. 816. MULTIYEAR PROCUREMENT AUTHORITY FOR ELECTRICITY**

15 **FROM RENEWABLE ENERGY SOURCES.**

16 (a) IN GENERAL.—Section 2410o(a) of title 10, United States Code, is amended—

17 (1) by striking "and hydrazine-related products" and inserting "hydrazine-related
18 products, and electricity from renewable energy sources which include, but are not
19 limited to solar, wind, biomass, landfill gas, ocean (including tidal, wave, current and
20 thermal), geothermal, municipal solid waste or new hydroelectric generation capacity
21 achieved from increased efficiency at hydroelectric projects"; and

22 (2) by inserting before the period at the end the following: "or in the best interests

1 of the United States".

2 (b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as
3 follows:

4 **"§ 2410o. Multiyear procurement authority: purchase of dinitrogen tetroxide, hydrazine,
5 hydrazine-related products, and electricity from renewable energy".**

6 (2) The table of sections at the beginning of chapter 141 of such title is amended by
7 striking the item relating to section 2410o and inserting the following new item:

8 "2410o. Multiyear procurement authority: purchase of dinitrogen tetroxide, hydrazine, hydrazine-related products,
9 and electricity from renewable energy."

10 **SEC. 817. EXEMPTION FOR SPECIAL OPERATIONS COMMAND.**

11 (a) EXEMPTION.—Chapter 6 of title 10, United States Code, is amended by inserting after
12 section 167a the following new section:

13 **"§ 167b. Exemption for the commander of the United States Special Operations Command**

14 "Pursuant to section 167 of this title, the commander of the special operations command
15 is responsible for, and has the authority to conduct all affairs of, such command relating to
16 special operations activities. The commander of the special operations command may carry out
17 his functions under section 167 without regard to sections 2401, et seq., of this title if the
18 Secretary of Defense makes a determination that carrying out such functions in such manner is
19 required for national security interests."

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

22 "167b. Exemption for the commander of the United States Special Operations Command."

23 **Subtitle C—Other Matters**

1 **SEC. 821. APPLICABILITY OF STATUTORY EXECUTIVE COMPENSATION CAP**
2 **MADE PROSPECTIVE.**

3 Section 808(e)(2) of the National Defense Authorization Act for Fiscal Year 1998 (Public
4 Law 105-85; 111 Stat. 1838; 41 U.S.C. 435) is amended by striking "before, on," and inserting
5 "on".

6 **SEC. 822. AUTHORITY TO APPOINT AN ACTING CHAIR FOR THE COST**
7 **ACCOUNTING STANDARDS BOARD.**

8 Paragraph (1) of section 26(a) of the Office of Federal Procurement Policy Act (41
9 U.S.C. 422(a)(1)) is amended by striking "The Board shall consist of 5 members, including the
10 Administrator, who shall serve as Chairman, and 4 members, all of whom shall have experience
11 in Government contract cost accounting, and who shall be appointed as follows:" and inserting
12 "The Board shall consist of the Chair and 4 other members. The Chair shall be the
13 Administrator. However, for those time periods in which the Administrator position is vacant,
14 the Director of the Office of Management and Budget may appoint an employee of the Office of
15 Management and Budget to serve as Chair. The 4 other members, all of whom shall have
16 experience in Government contract cost accounting, shall be appointed as follows:".

17 **SEC. 823. SMALL BUSINESS INNOVATION RESEARCH AWARDS; USE OF**
18 **PROGRAM FUNDS FOR ADMINISTRATIVE COSTS.**

19 Section 9 of the Small Business Act (15 U.S.C. 638) is amended—

20 (1) in subsection (f)(2)(A), by striking "any" and inserting "more than 3.0
21 percent"; and

22 (2) in subsection (n)(2)(A), by striking "any" and inserting "more than 3.0

1 percent".

2 **SEC. 824. SMALL BUSINESS INNOVATION RESEARCH PROGRAM;**
3 **DISCRETIONARY TECHNICAL ASSISTANCE.**

4 Section 9(q)(3) of the Small Business Act (15 U.S.C. 638(q)(3)) is amended—

5 (1) in subparagraph (A), by striking "\$4,000" and inserting "\$5,000"; and

6 (2) by amending subparagraph (B) to read as follows:

7 "(B) SECOND PHASE.—Each agency referred to in paragraph (1) may
8 provide directly, or authorize any second phase SBIR award recipient to purchase
9 with funds available from their SBIR awards, services described in paragraph (1),
10 in an amount equal to not more than \$8,000 per year, per award."

11 **TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND**
12 **MANAGEMENT**

13 **Subtitle A—Department of Defense Management**

14 **SEC. 901. DEPARTMENT OF DEFENSE BOARD OF ACTUARIES.**

15 (a)(1) ESTABLISHMENT.—There is established in the Department of Defense a
16 Department of Defense Board of Actuaries (hereinafter in this section referred to as the "Board").
17 The Board shall consist of three members who shall be appointed by the President from among
18 qualified professional actuaries who are members of the Society of Actuaries.

19 (2)(A) Except as provided in subparagraph (B), the members of the Board shall serve for
20 a term of 15 years, except that a member of the Board appointed to fill a vacancy occurring
21 before the end of the term for which his predecessor was appointed shall only serve until the end
22 of such term. A member may serve after the end of his term until his successor has taken office.

1 A member of the Board may be removed by the President.

2 (B) The three current members of the Department of Defense Retirement Board of
3 Actuaries and the Department of Defense Education Benefits Board of Actuaries shall serve the
4 remainder of their existing terms as members of the Board pursuant to subparagraph (A).

5 (C) A member of the Board who is not otherwise an employee of the United States is
6 entitled to receive pay at the daily equivalent of the annual rate of basic pay of the highest rate of
7 basic pay then currently being paid under the General Schedule of subchapter III of chapter 53 of
8 title 5, United States Code, for each day the member is engaged in the performance of duties
9 vested in the Board and is entitled to travel expenses, including a per diem allowance, in
10 accordance with section 5703 of title 5.

11 (b) REPORT.—The Board shall report to the Secretary of Defense annually on the
12 actuarial status of the Department of Defense Military Retirement Fund established by section
13 1461 of title 10, United States Code, and the Department of Defense Education Benefits Fund
14 established by section 2006 of title 10, and shall furnish its advice and opinion on matters
15 referred to it by the Secretary.

16 (c) RECORDS.—The Secretary shall keep, or cause to be kept, such records as necessary
17 for determining the actuarial status of the Funds.

18 (d) DOD EDUCATION BENEFITS FUND.—The Board shall review valuations of the
19 Department of Defense Education Benefits Fund under section 2006(f) of title 10, United States
20 Code, and shall recommend to the President and thereafter to the Congress such changes as in
21 the Board's judgment are appropriate and necessary to protect the public interest and maintain the
22 Department of Defense Education Benefits Fund on a sound actuarial basis.

1 (e) DOD MILITARY RETIREMENT FUND.—The Board shall review valuations of the
2 Department of Defense Military Retirement Fund under section 1465(c) of title 10, United States
3 Code, and shall report periodically, not less than once every four years, to the President and
4 thereafter to the Congress on the status of the Department of Defense Military Retirement Fund.
5 The Board shall include in such report recommendations for such changes as in the Board's
6 judgment are appropriate and necessary to protect the public interest and maintain the
7 Department of Defense Military Retirement Fund on a sound actuarial basis.

8 (f) REPEAL OF SUPERCEDED PROVISIONS.—(1) Section 1464 of title 10, United States
9 Code, is repealed.

10 (2) Section 2006 of title 10 is amended by striking subsection (e).

11 (g) CONFORMING AMENDMENTS.—

12 (1) The table of sections at the beginning of chapter 74 of title 10, United States
13 Code, is amended by striking the item relating to section 1464.

14 (2) Section 1175(h)(4) of such title is amended by striking "Retirement" the first
15 place it appears.

16 (3) Section 1460(b) of such title is amended by striking "Retirement".

17 (4) Section 1466(c)(3) of such title is amended by striking "Retirement".

18 (5) Section 12521(6) of such title is amended by striking "Department of Defense
19 Education Benefits Board of Actuaries referred to in section 2006(e)(1) of this title" and
20 inserting "Department of Defense Board of Actuaries".

21 **SEC. 902. LIMITATION ON MAJOR DEPARTMENT OF DEFENSE**

22 **HEADQUARTERS ACTIVITIES PERSONNEL.**

1 Section 130a of title 10, United States Code, is amended—

2 (1) in subsection (c)(2), by striking "as Major DoD Headquarters Activities in
3 accordance with Department of Defense Directive 5100.73" and all that follows through
4 the period at the end and inserting "in regulations prescribed by the Secretary of
5 Defense."; and

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

7 "(e) FLEXIBILITY IN ORDER TO ACHIEVE COST SAVINGS OR ELIMINATE CONTRACTS
8 ASSOCIATED WITH INHERENTLY GOVERNMENTAL FUNCTIONS.—If the Secretary of a military
9 department or the commander of a combatant command certifies to the Secretary of Defense that
10 a waiver of the limitation in subsection (a) or a reallocation among the military departments or
11 combatant commands of the number of personnel permissible under subsection (a) either shall
12 result in a cost savings or is necessary to eliminate a contract associated with an inherently
13 governmental function (including cost savings or the elimination of a contract resulting from
14 guidelines and procedures prescribed pursuant to section 343 of the National Defense
15 Authorization Act for Fiscal Year 2006 (Public Law 109-163)), the Secretary of Defense shall
16 waive such limitation or make such reallocation to the extent necessary to achieve the cost
17 savings or to eliminate the contract."

18 **SEC. 903. FLEXIBILITY TO ADJUST THE NUMBER OF ARMY DEPUTY CHIEFS**
19 **OF STAFF AND ASSISTANT CHIEFS OF STAFF.**

20 Section 3035(b) of title 10, United States Code, is amended to read as follows:

21 "(b) The Secretary of the Army shall prescribe the number of Deputy Chiefs of Staff and
22 Assistant Chiefs of Staff, for a total of not more than eight positions."

1 **SEC. 904. RECEIPTS FOR EMPLOYEES AND MILITARY MEMBERS OF THE**
2 **DEPARTMENT OF DEFENSE.**

3 (a) IN GENERAL.—Chapter 53 of title 10, United States Code, is amended by adding at
4 the end the following new section:

5 **"§ 1060c. Receipts for employees and military members of the Department of Defense**

6 "Notwithstanding the provisions of section 6051 of title 26, and pursuant to regulations
7 prescribed by the Secretary of Defense, all statements required by section 6051 of title 26, and all
8 periodic statements of leave and earnings, shall be furnished electronically to military members
9 and civilian employees of the Department of Defense. The Secretary of Defense shall ensure
10 that those employees or military members without reliable access to electronic media will
11 receive the statements in another format."

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

14 "1060c. Receipts for employees and military members of the Department of Defense."

15 **SEC. 905. CENTERS FOR EXCELLENCE IN HUMAN RIGHTS.**

16 (a) ESTABLISHMENT.—The Secretary of Defense may operate Centers for Excellence in
17 Human Rights.

18 (b) MISSIONS.—

19 (1) The Human Rights Centers shall be used to provide and facilitate education,
20 training, research, and reform, and to develop programs to combat the growing
21 phenomenon of trafficking in persons, and strategic planning for integrating respect for
22 human rights into all aspects of military operations, doctrine, education, judicial systems,

1 other internal control mechanisms, and relations with civil society.

2 (2) The Human Rights Centers may sponsor conferences, symposia, seminars,
3 academic exchanges, and courses, as well as special projects such as studies, reviews,
4 design of curricula, and evaluations.

5 (3) The Human Rights Centers will place special emphasis on implementation of
6 reforms that result in measurable real world improvements providing effective security
7 while respecting human rights.

8 (4) The Centers may perform such other missions as the Secretary of Defense
9 may specify.

10 (c) JOINT OPERATION WITH EDUCATIONAL INSTITUTIONS AND NON-GOVERNMENTAL
11 ORGANIZATIONS AUTHORIZED.—The Secretary of Defense may enter into agreements with
12 appropriate officials of institutions of higher education and non-governmental organizations to
13 provide for joint operation of the Centers. Any such agreements shall provide for the institution
14 or organization to furnish necessary administrative services for the Centers, including
15 administration and allocation of funds.

16 (d) ACCEPTANCE OF DONATIONS.—

17 (1) Except as provided in paragraph (2), the Secretary of Defense may accept, on
18 behalf of the Centers, gifts and donations to be used to defray the costs of the Centers or
19 to enhance the operation of the Centers. Such donations may be accepted from any State
20 or local government, any foreign government, any foundation or other charitable
21 organization (including any that is organized or operates under the laws of a foreign
22 country), or any other private source in the United States or a foreign country.

1 (2) The Secretary may not accept a gift or donation under paragraph (1) if the
2 acceptance of the gift or donation would compromise or appear to compromise—

3 (A) the ability of the Department of Defense, any employee of the
4 Department, or members of the Armed Forces, to carry out any responsibility or
5 duty of the Department in a fair and objective manner; or

6 (B) the integrity of any program of the Department of Defense or of any
7 person involved in such a program.

8 (3) The Secretary shall prescribe written guidance setting forth the criteria to be
9 used in determining whether or not the acceptance of a foreign gift or donation would
10 have a result described in paragraph (2).

11 (4) Funds accepted by the Secretary under paragraph (1) shall be credited to
12 appropriations available to the Department of Defense for the Centers. Funds so credited
13 shall be merged with the appropriations to which credited and shall be available for the
14 Center for the same purposes and the same period as the appropriations with which
15 merged.

16 (e) GIFT OR DONATION DEFINED.—For purposes of this section, a gift or donation is a gift
17 or donation of funds, materials (including research materials), property, or services (including
18 lecture services and faculty services).

19 (f) FORMULATION AND EXECUTION OF PROGRAMS.—

20 (1) The Secretary of Defense may exercise the authorities of this section only with
21 the concurrence of the Secretary of State.

22 (2) The Secretaries of Defense and State shall jointly formulate any program or

1 other activities undertaken pursuant to the authority of this section. The Secretaries shall
2 coordinate with one another, under procedures that they jointly establish, to ensure
3 implementation of such programs and activities, including in a manner that incorporates
4 appropriate vetting procedures, irrespective of the source of funding for the activity, and
5 that avoids duplication with existing programs.

6 **Subtitle B—Chemical Demilitarization Program**

7 **SEC. 911. CHANGE IN TERMINATION REQUIREMENT FOR CHEMICAL** 8 **DEMILITARIZATION CITIZENS' ADVISORY COMMISSIONS.**

9 Section 172 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law
10 102-484; 106 Stat. 2341) is amended—

11 (1) in subsections (b), (f), and (g), by striking "Assistant Secretary of the Army
12 (Research, Development, and Acquisition)" and inserting "Assistant Secretary of the
13 Army (Acquisition, Logistics, and Technology)"; and

14 (2) in subsection (h), by striking "after the stockpile located in that commission's
15 State has been destroyed" and inserting "after closure activities required pursuant to
16 regulations promulgated by the Administrator of the Environmental Protection Agency
17 pursuant to the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) have been completed
18 for the chemical agent destruction facility in the commission's State, or upon the request
19 of the Governor of the commission's State, whichever occurs first".

20 **Subtitle C—Intelligence-Related Matters**

21 **SEC. 921. REPEAL OF STANDARDS OF MANDATORY DISQUALIFICATION** 22 **FROM ELIGIBILITY FOR DEPARTMENT OF DEFENSE SECURITY**

1 **CLEARANCE.**

2 Section 986 of title 10, United States Code, is repealed.

3 **SEC. 922. TECHNICAL AMENDMENTS TO TITLE 10, UNITED STATES CODE,**
4 **ARISING FROM ENACTMENT OF THE INTELLIGENCE REFORM**
5 **AND TERRORISM PREVENTION ACT OF 2004.**

6 (a) REFERENCES TO HEAD OF INTELLIGENCE COMMUNITY.—Title 10, United States Code,
7 is amended by striking "Director of Central Intelligence" each place it appears in the following
8 provisions and inserting "Director of National Intelligence":

9 (1) Section 192(c)(2).

10 (2) Section 193(d)(2).

11 (3) Section 193(e).

12 (4) Section 201(a).

13 (5) Section 201(b)(1).

14 (6) Section 201(c)(1).

15 (7) Section 425(a).

16 (8) Section 426(a)(3).

17 (9) Section 426(b)(2).

18 (10) Section 441(c).

19 (11) Section 441(d).

20 (12) Section 443(d).

21 (13) Section 2273(b)(1).

22 (14) Section 2723(a).

1 (b) REFERENCES TO HEAD OF CENTRAL INTELLIGENCE AGENCY.—Such title is further
2 amended by striking "Director of Central Intelligence" each place it appears in the following
3 provisions and inserting "Director of the Central Intelligence Agency":

4 (1) Section 431(b)(1).

5 (2) Section 444.

6 (c) OTHER AMENDMENTS.—Section 201 of such title is further amended—

7 (1) in subsection (b), by amending paragraph (1) to read as follows:

8 "(1) In the event of a vacancy in a position referred to in paragraph (2), before
9 appointing an individual to fill the vacancy or recommending to the President an
10 individual to be nominated to fill the vacancy, the Secretary of Defense shall obtain the
11 concurrence of the Director of National Intelligence as provided in section 106(b) of the
12 National Security Act of 1947 (50 U.S.C. 403-6(b))."; and

13 (2) in subsection (c), by striking "National Foreign Intelligence Program" and
14 inserting "National Intelligence Program".

15 **SEC. 923. PROTECTION OF INFORMATION REGARDING WEAPONS OF MASS**
16 **DESTRUCTION.**

17 (a) PROHIBITION FROM DISCLOSURE UNDER FREEDOM OF INFORMATION ACT.—

18 Information in the possession of the Department of Defense concerning weapons of mass
19 destruction, as defined in subsection (d) of this section, shall not be disclosed under section 552
20 of title 5, United States Code (commonly referred to as the Freedom of Information Act (FOIA))
21 for the period of time the sensitivity of the information can be reasonably confirmed. Any
22 information controlled under the Atomic Energy Act of 1954, as amended, is exempt from the

1 provisions of this Act. This exemption shall be implemented in a manner so as to not unduly
2 restrict the public's current level of access to environmental impact statements, records
3 concerning healthcare activities, or other information essential to inform official decision-
4 making concerning the health and safety of the public.

5 (b) REQUIREMENT FOR SAFEGUARDING.—The Department of Defense shall safeguard
6 information concerning weapons of mass destruction commensurate with the sensitivity of the
7 information concerned and shall take all reasonable actions to ensure parties outside the Federal
8 government with whom the Department shares such information safeguard it in the same
9 manner.

10 (c) APPLICATION OF STATE OR LOCAL DISCLOSURE LAWS.—Information subject to this
11 section that the Department has provided to state and local authorities shall not be made
12 available pursuant to any State or local law requiring disclosure of information or records.

13 (d) DEFINITIONS.—In this section:

14 (1) The term "weapon of mass destruction" has the same meaning as given in the
15 Defense Against Weapons of Mass Destruction Act of 1996 (50 U.S.C. 2302).

16 (2) The term "information concerning weapons of mass destruction" means
17 information that—

18 (A) would assist in developing, producing, or using weapons of mass
19 destruction or in evading the detection or the monitoring of the development,
20 production, use, or presence of weapons of mass destruction; or

21 (B) would disclose a vulnerability to the effects of a weapon of mass
22 destruction; and

1 (C) has been determined to be currently sensitive by an official designated
2 as an Initial Denial Authority for the Department of Defense component
3 concerned pursuant to Department of Defense Directive 5400.7-R, "DoD
4 Freedom of Information Act Program," September 1998, or successor directive.

5 Examples of such information could include information that remains current and
6 sensitive, such as but not limited to, formulas and design descriptions of lethal and
7 incapacitating materials; maps, designs, security/emergency response plans, and
8 vulnerability assessments for facilities containing weapons of mass destruction materials;
9 studies of the effects and possible methods of weaponization of weapons of mass
10 destruction materials; design details, capabilities, and application of detection,
11 surveillance, countermeasures, and measurement equipment or plans; United States
12 Government evaluations of response plans of state and local governments; and evaluation
13 of weapons of mass destruction dispersal systems or methods.

14 (e) REPORTING.—Ninety days following the one-year anniversary of the effective date of
15 this section, the Department of Defense will provide to the Department of Justice and the Office
16 of Management and Budget a report detailing the number of FOIA requests received for
17 information covered under this section, a description of the information requested, and specific
18 actions taken as a result of the request.

19 **SEC. 924. PROHIBITION ON DISCLOSURE OF CERTAIN GEODETIC PRODUCTS.**

20 Section 455 of title 10, United States Code, is amended by adding at the end the
21 following new subsections:

22 "(d) PROHIBITION ON DISCLOSURE OF GEODETIC PRODUCTS.—Any person, including any

1 current and former government and contractor personnel, who knowingly distributes, transfers or
2 engages in the sale of any product that the Secretary of Defense has withheld from the public in
3 accordance with subsection (b) shall be subject to the penalties and administrative actions set
4 forth in subsection (e).

5 "(e) PENALTIES AND ADMINISTRATIVE SANCTIONS.—(1) CRIMINAL PENALTIES.—Whoever
6 engages in conduct constituting a violation of subsection (b) or (d) shall be imprisoned for not
7 more than 5 years or fined as provided under title 18, or both.

8 "(2) CIVIL PENALTIES.—The Attorney General may bring a civil action in an appropriate
9 United States district court against any person who engages in conduct constituting a violation of
10 subsection (b) or (d). Upon proof of such conduct by a preponderance of the evidence, the
11 person is subject to a civil penalty. An individual who engages in such conduct is subject to a
12 civil penalty of not more than \$50,000 for each violation plus twice the amount of compensation
13 that the individual received or offered for the prohibited conduct. An organization that engages
14 in such conduct is subject to a civil penalty of not more than \$500,000 for each violation plus
15 twice the amount of compensation that the organization received or offered for the prohibited
16 conduct."

17 **TITLE X—GENERAL PROVISIONS**

18 **Subtitle A—Financial Matters**

19 **SEC. 1001. REPEAL OF REQUIREMENT FOR TWO-YEAR BUDGET CYCLE FOR** 20 **THE DEPARTMENT OF DEFENSE.**

21 Section 1405 of the Department of Defense Authorization Act, 1986 (Public Law 99-145;
22 99 Stat. 744; 31 U.S.C. 1105 note) is repealed.

1 **SEC. 1002. SHORT-TERM INVESTMENT OF BURDEN SHARING CONTRIBUTIONS**
2 **FROM REPUBLIC OF KOREA.**

3 Section 2350j(b) of title 10, United States Code, is amended—

4 (1) by striking "Contributions" and inserting "(1) Contributions"; and

5 (2) by inserting at the end the following new paragraph:

6 "(2) The Secretary of Defense may authorize the deposit of contributions accepted
7 under subsection (a) from the Republic of Korea in Korean Won into an account that is
8 interest bearing if the contributions are invested in treasury obligations of the Republic of
9 Korea of not more than six months maturity. Interest received on such accounts shall be
10 treated the same as the contributions on which the interest was earned and shall be
11 available for the same purpose as those contributions."

12 **SEC. 1003. INCREASE LIMITATION ON ADVANCE BILLING OF WORKING**
13 **CAPITAL FUND CUSTOMERS.**

14 Section 2208(l)(3) of title 10, United States Code, is amended by striking
15 "\$1,000,000,000" and inserting "\$2,000,000,000".

16 **Subtitle B—Policy Relating to Vessels and Shipyards**

17 **SEC. 1011. TEMPORARY WAIVER OF THE MINIMUM AIRCRAFT CARRIER**
18 **REQUIREMENT.**

19 Section 5062(b) of title 10, United States Code, is amended by inserting after the first
20 sentence the following new sentence: "Notwithstanding the preceding sentence or any other
21 provision of law, the naval combat forces of the Navy may include less than 11 operational
22 aircraft carriers for the period of time between the decommissioning of the USS ENTERPRISE

1 (CVN 65) and the commissioning of the CVN 78."

2 **SEC. 1012. DISPOSALS TO FOREIGN NATIONS.**

3 The text of section 7307 of title 10, United States Code, is amended to read as follows:

4 "(a) NOTIFICATION REQUIREMENTS FOR TRANSFERS OF ALL VESSELS.—The Secretary of
5 Defense, with the concurrence of the Secretary of State, may dispose of a naval vessel to another
6 nation (whether by sale, lease, grant, loan, barter, transfer, or otherwise) in accordance with
7 applicable provisions of law, but only after—

8 "(1) the Secretary of Defense notifies the Committee on Armed Services of the
9 Senate and the Committee on Armed Services of the House of Representatives in writing
10 of the proposed disposition; and

11 "(2) 30 days of continuous session of Congress have expired following the date on
12 which such notice is sent to those committees.

13 "(b) CONTINUITY OF A SESSION.—For purposes of subsection (a)(2), the continuity of a
14 session of Congress is broken only by an adjournment of the Congress sine die, and the days on
15 which either House is not in session because of an adjournment or more than 3 days to a day
16 certain are excluded in the computation of such 30-day period."

17 **Subtitle C—Counter-Drug Activities**

18 **SEC. 1021. USE OF FUNDS FOR COUNTER -DRUG AND COUNTER -TERRORISM.**

19 Section 1022(b) of the National Defense Authorization Act for Fiscal Year 2004 (Public
20 Law 108-136; 117 Stat. 1594), as amended by section 1022 of the National Defense
21 Authorization Act for Fiscal Year 2006 (Public law 109-163; 119 Stat. 3427), is further amended
22 by striking "fiscal years 2006 and 2007" and inserting "fiscal year 2008".

1 **Subtitle D—Matters Related to Homeland Security**

2 **SEC. 1031. SUPPORT TO NATIONAL SPECIAL SECURITY EVENTS AND OTHER**
3 **CRITICAL NATIONAL SECURITY ACTIVITIES.**

4 (a) IN GENERAL.—(1) Chapter 1 of title 32, United States Code, is amended by adding at
5 the end the following new section:

6 **"§ 116. Defense support of civil authorities**

7 "(a) IN GENERAL.—At the request of a Federal department or agency head, and when
8 authorized by the Secretary of Defense, the Governor of a State may employ under this title units
9 or members of the National Guard of that State to provide defense support of civil authorities to
10 the requesting Federal department or agency, as specified in subsection (c). Subject to the
11 exceptions in subsections (d), the costs incurred by the National Guard shall be reimbursed to the
12 Department of Defense from the appropriations available to the Federal department or agency to
13 which the support was provided. This reimbursement will include the costs of—

14 "(1) the pay, allowances, clothing, subsistence, gratuities, travel, and related
15 expenses of personnel of the National Guard of that State;

16 "(2) the operation and maintenance of the equipment and facilities of the National
17 Guard of that State; and

18 "(3) the procurement of services and equipment, and the leasing of equipment, for
19 the National Guard of that State.

20 (b) CREDITING OF RECEIPTS.—Any funds received by the Department of Defense as
21 reimbursement for support provided by units or members of the National Guard under this
22 section shall be credited, at the option of the Secretary of Defense, to:

1 "(1) the appropriation, fund, or account to fund the support; or

2 "(2) the appropriate appropriation, fund, or account currently available for such
3 purpose.

4 "(c) ACTIVITIES INCLUDED.—Defense support of civil authorities activities authorized by
5 subsection (a) include support provided for National Special Security Events and other activities
6 determined by the Secretary of Defense as being critical to national security such as:

7 "(1) Ground reconnaissance activities;

8 "(2) Airborne reconnaissance activities;

9 "(3) Logistical support;

10 "(4) Emergency medical assistance and services;

11 "(5) Communications services;

12 "(6) Security assistance and services; and

13 "(7) Air and ground transportation.

14 "(d) WAIVER OF REIMBURSEMENT.—A Federal department or agency to which support is
15 provided under this chapter is not required to reimburse the Department of Defense for such
16 support if the Secretary of Defense waives reimbursement. The Secretary of Defense may waive
17 the reimbursement requirement under this section if—

18 "(1) the support is provided in the normal course of military training or
19 operations; or

20 "(2) the support provided results in a benefit to units or members of the National
21 Guard providing the support that is substantially equivalent to that which would
22 otherwise be obtained from military operations or training.

1 "(e) REQUIREMENTS FOR REQUESTS.—Requests for assistance from Federal departments
2 or agencies under this section shall be submitted to the Secretary of Defense. Any such request
3 shall include the following:

4 "(1) The specific support capability requested.

5 "(2) The duration of the requested support activities.

6 "(3) A certification that the requested support activities will be fully reimbursable.

7 "(4) A certification from the Governor of the involved State(s) that the requested
8 support will be provided at a time when the personnel involved are not in Federal service.

9 "(f) CHARACTERIZATION OF SERVICE.—All duty performed under this section shall be
10 considered to be full-time National Guard duty under section 502(f) of this title.

11 "(g) DURATION.—The period for which support may be provided to a Federal department
12 or agency under this section shall be limited to 180 days. When requested by the head of a
13 Federal department or agency, the Secretary of Defense may, with the concurrence of the
14 Governor of the State, extend the period of time for an additional 90 days to meet extraordinary
15 circumstances.

16 "(h) TRAINING AND BENEFITS.—A member of the National Guard performing duty under
17 this section shall, in addition to performing such duty, participate in the training required under
18 section 502(a) of this title. The pay, allowances, and other benefits of the member while
19 participating in the training shall be the same as those to which the member is entitled while
20 performing the duty under this chapter. The member is not entitled to additional pay,
21 allowances, or other benefits for participation in training required under section 502(a)(1) of this
22 title.

1 "(i) TRAINING LIMITATIONS.—To ensure that the use of units and personnel of the
2 National Guard of a State for activities specified in subsections (a) and (b) of this section does
3 not degrade the training and readiness of such units and personnel, the following requirements
4 shall apply in determining the activities that units and personnel of the National Guard of a State
5 may perform:

6 "(1) The performance of the activities is not to affect adversely the quality of that
7 training or otherwise interfere with the ability of a member or unit of the National Guard
8 to perform the military functions of the member or unit.

9 "(2) The performance of the activities is not to degrade the military skills of the
10 members of the National Guard performing those activities.

11 "(j) SUPPORT EXCLUDED.—Defense support of civil authorities activities conducted under
12 authority of this section may not be provided if the provision of such support will affect
13 adversely the military preparedness of the United States.

14 "(k) RELATIONSHIP TO OTHER AUTHORITIES.—Nothing in this chapter shall be construed
15 as a limitation on the authority of any unit of the National Guard of a State, when such unit is not
16 in Federal service, to perform functions authorized to be performed by the National Guard by the
17 laws of the State concerned.

18 "(l) DEFINITIONS.—For purposes of this section:

19 "(1) The term 'State' means each of the several States, the District of Columbia,
20 the Commonwealth of Puerto Rico, Guam or the Virgin Islands.

21 "(2) The term 'National Special Security Event' means an event designated as such
22 as authorized by the President that, by virtue of its political, economic, social, or religious

1 significance, may be the target of terrorism or other criminal activity.".

2 (b) CLERICAL AND CONFORMING AMENDMENTS.—

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

5 "116. Defense support of civil authorities."

6 (2) Section 115 of title 10, United States Code, is amended—

7 (A) by redesignating subsection (i) (the second place it appears) as
8 subsection (j); and

9 (B) in subsection (j), as redesignated, by inserting "or defense support of
10 civil authorities under section 116" after "chapter 9".

11 **Subtitle E—Other Matters**

12 **SEC. 1041. PROTECTION OF DEPARTMENT OF DEFENSE PERSONS**

13 **DESIGNATED BY THE SECRETARY OF DEFENSE.**

14 Section 2674(b)(1) of title 10, United States Code, is amended—

15 (1) in the matter preceding subparagraph (A), by inserting after the first sentence
16 the following new sentence: "In addition, the Secretary may authorize such law
17 enforcement and security personnel to provide for the physical security and protection of
18 Department of Defense personnel and others entitled to federal protection from assault
19 and other crimes of violence under federal statutes, within or outside the United States,
20 when threat conditions cause the Secretary to determine that such protection is necessary
21 for reasons of national security.";

22 (2) in subparagraph (A), by striking "status; and" and inserting "status within or

1 outside the United States;"

2 (3) by striking the period at the end of subparagraph (B) and inserting "; and"; and

3 (4) by adding at the end the following new subparagraphs:

4 "(C) may, when providing for the physical security and protection of
5 persons under this section, make arrests without a warrant for violations of the
6 United States Code committed in their presence to the extent otherwise authorized
7 by law.

8 "(D) Nothing in paragraph (1) shall be construed to preclude or limit, in
9 any way, the implied or inherent powers of the Secretary of Defense, the duties
10 and authorities of the United States Department of State, United States Secret
11 Service or any other Federal law enforcement agency.

12 "(E) The powers granted to law enforcement and security personnel under
13 paragraph (1), who provide for the physical security and protection of Department
14 of Defense personnel entitled to federal protection from assault and other crimes
15 of violence under federal statutes, shall be exercised only in accordance with
16 guidelines approved by the Secretary and the Attorney General; said powers shall
17 be exercised with the concurrence of the Department of State to the extent they
18 are exercised outside the United States."

19 **SEC. 1042. CLARIFICATION OF JURISDICTION OF THE UNITED STATES**

20 **DISTRICT COURTS TO HEAR BID PROTEST DISPUTES INVOLVING**
21 **MARITIME CONTRACTS.**

22 Section 1491 of title 28, United States Code, is amended by adding at the end the

1 following new subsection:

2 "(d) Jurisdiction over any actions described under subsection (b)(1) of this section arising
3 out of a maritime contract or a proposed maritime contract shall be governed by this section, and
4 shall not be subject to the jurisdiction of the District Courts of the United States under the Act of
5 March 9, 1920, commonly known as the 'Suits in Admiralty Act' (41 Stat. 525; 46 U.S.C. App.
6 741 et seq.), or the Act of March 3, 1925, commonly known as the 'Public Vessels Act' (43 Stat.
7 1112; 46 U.S.C. App. 781 et seq.)."

8 **SEC. 1043. CANCELLATION OF USE OF AIRCRAFT FOR PROFICIENCY FLYING:**
9 **LIMITATION.**

10 (a) IN GENERAL.—Section 2245 of title 10, United States Code, is repealed.

11 (b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter 1 of
12 chapter 134 of such title is amended by striking the item relating to section 2245.

13 (c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October
14 1, 2007.

15 **SEC. 1044. PROMPT CONVERSION OF ARMY FORCES IN HAWAII.**

16 (a) FINDING.—The Congress finds that the conversion in Hawaii of the 2nd Brigade of
17 the 25th Infantry Division to a Stryker Brigade Combat Team is necessary to the national
18 defense, supports U.S. foreign policy, and conforms to prior direction of Congress with regard to
19 the reorganization of the Army into a more effective fighting force.

20 (b) CONVERSION.—The Secretary of the Army shall convert the 2nd Brigade of the 25th
21 Infantry Division to a Stryker Brigade Combat Team, at its current location, and such conversion
22 shall proceed to completion notwithstanding any other provision of law.

1 **SEC. 1045. EXPAND COOPERATIVE AGREEMENT AUTHORITY FOR**
2 **MANAGEMENT OF CULTURAL RESOURCES TO INCLUDE OFF-**
3 **INSTALLATION MITIGATION.**

4 (a) EXPANDED AUTHORITY.—Section 2684(a) of title 10, United States Code, is amended
5 to read as follows:

6 "(a) AUTHORITY.—(1) The Secretary of Defense or the secretary of a military department
7 may enter into a cooperative agreement with a State, local or tribal government or other entity—

8 "(A) for the preservation, management, maintenance, and improvement of cultural
9 resources; and

10 "(B) for the conduct of research regarding cultural resources.

11 "(2) Such cultural resources must be located—

12 "(A) on a military installation; or

13 "(B) off a military installation, but only if the cooperative agreement directly
14 relieves or eliminates current or anticipated restrictions that would or might restrict,
15 impede, or otherwise interfere, whether directly or indirectly, with current or anticipated
16 military training, testing, or operations on the installation.

17 "(3) Activities under the cooperative agreement shall be subject to the availability of
18 funds to carry out the cooperative agreement."

19 (b) EXPANDED DEFINITION.—Subsection (c) of such section is amended by adding at the
20 end the following new paragraph:

21 "(5) An Indian sacred site, as the that term is defined in section 1(b)(iii) of
22 Executive Order 13007."

1 **TITLE XI—CIVILIAN PERSONNEL MATTERS**

2 **SEC. 1101. COMPENSATION FOR FEDERAL WAGE SYSTEM EMPLOYEES**
3 **FOR CERTAIN TRAVEL HOURS.**

4 Section 5544(a) of title 5, United States Code, is amended in the third sentence in the
5 matter following paragraph (3) by inserting ", including travel by an employee to such an event
6 and the return of such employee from such event to his or her official duty station," after "event".

7 **SEC. 1102. SPECIAL BENEFITS FOR CIVILIAN EMPLOYEES ASSIGNED ON**
8 **DEPLOYMENT TEMPORARY CHANGE OF STATION.**

9 (a) **AUTHORITY.**—Subchapter II of chapter 57 of title 5, United States Code, is amended
10 by inserting after section 5737 the following new section:

11 **"§ 5737a. Civilian employees deployed in contingency operations: quarters, rations, and**
12 **other benefits**

13 "(a) **COVERED EMPLOYEES.**—This section applies to civilian employees in the Executive
14 Branch who are assigned on a temporary change of station in support of a contingency operation
15 in an overseas location.

16 "(b) **QUARTERS AND RATIONS AT DEPLOYMENT DUTY STATION.**—The head of an agency
17 may provide an employee assigned as described in subsection (a) with quarters and rations,
18 without charge, during the period of the assignment.

19 "(c) **STORAGE OF PRIVATELY OWNED VEHICLE.**—The head of an agency, during the
20 period an employee is assigned as described in subsection (a) and for such additional period as
21 determined by the head of an agency, may provide for the storage without charge, or reimburse
22 an employee for the storage, of one motor vehicle that is owned or leased by the employee (or a

1 dependent of the employee) and is for the personal use of the employee. Only one vehicle per
2 employee may be stored under this provision.

3 "(d) RELATIONSHIP TO OTHER PAY AND ALLOWANCES.—A payment, quarters, allowance,
4 or benefit under this section may be provided in addition to any other pay, allowance, or benefit
5 to which the employee is entitled.

6 "(e) REGULATIONS.—The Administrator of the General Services Administration shall
7 prescribe regulations to carry out this section.

8 "(f) DEFINITIONS.—In this section:

9 "(1) The term 'civilian employee' has the meaning given the term 'employee' in
10 section 2105(a) of this title.

11 "(2) The term 'temporary change of station' means an assignment from the
12 employee's official duty station to a temporary duty station for which an employee
13 receives payments under section 5737 of this title."

14 (b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 57 of such
15 title is amended by inserting after the item relating to section 5737 the following new item:
16 "5737a. Civilian employees deployed in contingency operations: quarters, rations, and other benefits."

17 **SEC. 1103. AUTHORITY TO WAIVE LIMITATION ON PREMIUM PAY FOR**
18 **FEDERAL CIVILIAN EMPLOYEES.**

19 (a) WAIVER AUTHORITY.—During calendar year 2008 and notwithstanding section 5547
20 of title 5, United States Code, the head of an Executive agency may waive the limitation, up to
21 \$212,100, for total compensation, including limitations on the aggregate of basic pay and
22 premium pay payable in a calendar year, to an employee who performs work while in an
23 overseas location that is in the area of responsibility of the Commander of the United States

1 Central Command, in direct support of, or directly related to—

2 (1) a military operation, including a contingency operation; or

3 (2) an operation in response to a declared emergency.

4 (b) **ADDITIONAL PAY NOT CONSIDERED BASIC PAY.**—To the extent that a waiver under
5 subsection (a) results in payment of additional premium pay of a type that is normally creditable
6 as basic pay for retirement or any other purpose, such additional pay shall not be considered to
7 be basic pay for any purpose, nor shall it be used in computing a lump-sum payment for
8 accumulated and accrued annual leave under section 5551 of title 5, United States Code.

9 (c) **REGULATIONS.**—The Director of the Office of Personnel Management may issue
10 regulations to ensure appropriate consistency among heads of executive agencies in the exercise
11 of authority granted by this section.

12 **SEC. 1104. INCREASE IN AUTHORIZED NUMBER OF DEFENSE INTELLIGENCE**
13 **SENIOR EXECUTIVE SERVICE EMPLOYEES.**

14 Section 1606(a) of title 10, United States Code, is amended by striking "594" and
15 inserting "644 in fiscal year 2008 and 694 in fiscal year 2009".

16 **SEC. 1105. ACCUMULATION OF ANNUAL LEAVE BY SENIOR LEVEL**
17 **EMPLOYEES.**

18 Section 6304(f)(1) of title 5, United States Code, is amended—

19 (1) by striking "in" in the matter preceding subparagraph (A);

20 (2) by striking "the" each place it appears and inserting "in the";

21 (3) by striking "or" at the end of subparagraph (D);

22 (4) by striking the period at the end of subparagraph (E) and inserting a

1 semicolon; and

2 (5) by adding at the end the following new subparagraphs:

3 "(F) designated as a senior-level position under subsection (a) of section
4 5376 of this title; or

5 "(G) designated as a senior-level position under subsection (a) of section
6 1607 of title 10."

7 **SEC. 1106. TRAVEL COMPENSATION FOR PREVAILING RATE EMPLOYEES.**

8 (a) ELIGIBILITY FOR COMPENSATORY TIME OFF FOR TRAVEL.—Section 5550b(a) of title 5,
9 United States Code, is amended by striking "section 5542(b)(2)" and inserting "sections
10 5542(b)(2) and 5544(a)".

11 (b) CONFORMING AMENDMENT.—Section 5541(2)(xi) of such title is amended by striking
12 "section 5544" and inserting "sections 5544 and 5550b".

13 (c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the
14 earlier of—

15 (1) the effective date of any regulations prescribed to carry out such amendments;

16 or

17 (2) the 90th day after the date of the enactment of this Act.

18 **SEC. 1107. ANNUITY COMMENCING DATES.**

19 (a) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8345(b)(1) of title 5, United States
20 Code, is amended by striking "the first day of the month after" both places it appears and
21 inserting "the day after".

22 (b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Section 8464(a) of such title is

1 amended to read as follows:

2 "(a) Except as otherwise provided in this chapter—

3 "(1) an annuity payable from the Fund commences on the day after—

4 "(A) separation from the service, in the case of an employee or Member
5 retiring under section 8412 or 8414; or

6 "(B) pay ceases and the applicable age and service requirements are met in
7 the case of an employee or Member retiring under section 8413; and

8 "(2) an annuity payable from the Fund commences on the day after separation
9 from the service or the day after pay ceases and the requirements for title to an annuity
10 are met in the case of an employee or Member retiring under section 8451."

11 **SEC. 1108. LIFE INSURANCE COVERAGE FOR EMPLOYEES CALLED TO ACTIVE**
12 **DUTY.**

13 Section 8706(b) of title 5, United States Code, is amended by adding at the end the
14 following new paragraph:

15 "(5) The insurance of an employee continues for up to 24 months after
16 discontinuance of pay for any employee who—

17 "(A) is enrolled in life insurance under this chapter;

18 "(B) is a member of a reserve component of the armed forces;

19 "(C) is called or ordered to active duty;

20 "(D) is placed on leave without pay to perform active duty; and

21 "(E) serves on active duty for a period of more than 30 consecutive days."

22 **SEC. 1109. FLEXIBILITY IN SETTING PAY FOR EMPLOYEES WHO MOVE FROM**

1 **A DEPARTMENT OF DEFENSE OR COAST GUARD**
2 **NONAPPROPRIATED FUND INSTRUMENTALITY POSITION TO A**
3 **DOD OR COAST GUARD POSITION IN THE GENERAL SCHEDULE**
4 **PAY SYSTEM.**

5 Section 5334(f) of title 5, United States Code, is amended to read as follows:

6 "(f)(1) This subsection applies to an employee of a nonappropriated fund instrumentality
7 of the Department of Defense or the Coast Guard described in section 2105(c) who moves,
8 voluntarily or involuntarily, without a break in service of more than 3 days, to a position in the
9 Department of Defense or the Coast Guard, respectively, that is subject to this subchapter.

10 "(2) For an employee subject to this subsection, service in a covered nonappropriated
11 fund instrumentality shall be treated as Federal service in the executive branch for the purpose of
12 applying any regulations issued by the Director of the Office of Personnel Management
13 governing the setting of an employee's rate of basic pay under this subchapter based on rates
14 received under another Federal pay system. In the case of such an employee who is moved
15 involuntarily and without a substantial change in duties, the employee is entitled under this
16 paragraph to the lowest step of the employee's grade that equals or exceeds the employee's rate
17 of basic pay under the nonappropriated fund instrumentality immediately prior to so moving
18 (after applying geographic pay conversion consistent with the regulations described in the first
19 sentence of this paragraph) or, if there is no such step, the maximum rate of the grade (except as
20 may be provided for under section 5365 or any other provision of law).

21 "(3) Notwithstanding any other provision of law, in the case of an employee subject to
22 this subsection, the employee's initial rate of basic pay under this subchapter may be set under

1 the authority provided by the second sentence in section 5333 (subject to applicable regulatory
2 requirements) as if the employee were a newly appointed employee, if the resulting rate would
3 exceed the rate set under paragraph (2)."

4 **SEC. 1110. INFORMING GOVERNMENT CONTRACTOR EMPLOYEES OF THEIR**
5 **WHISTLEBLOWER RIGHTS.**

6 (a) POLICY.—The head of each Executive agency shall prescribe in regulation a policy
7 for informing employees of a contractor of their whistleblower rights and protections under
8 section 2409 of title 10, United States Code, and section 265 of title 41, United States Code, as
9 implemented by title 48, Code of Federal Regulations, subpart 3.9.

10 (b) CONTENT OF REGULATIONS.—The regulations shall include the following
11 requirements:

12 (1) Employees of Government contractors shall be notified in writing of the
13 provisions of section 2409 of title 10, United States Code, and section 265 of title 41,
14 United States Code.

15 (2) Such notice to contractor employees shall state that the restrictions imposed by
16 any employee agreement or non-disclosure agreement shall not supersede, conflict with,
17 or otherwise alter the employee rights created by section 2409 of title 10, United States
18 Code, and section 265 of title 41, United States Code, or their implementing regulations.

19 (c) DEFINITION.—In this section, the term "contractor" has the meaning given that term in
20 section 2409(e)(4) of title 10, United States Code, and section 265 (e)(2) of title 41, United
21 States Code.

22 **TITLE XII—MATTERS RELATING TO FOREIGN NATIONS**

1 aircraft with fuel, use of runways, parking and servicing, baggage and cargo loading and
2 unloading, to military and other state aircraft of foreign countries.

3 "(2) Miscellaneous supplies, including Air Force-owned fuel, provisions, spare
4 parts, and general stores, but not including ammunition, to military and other state aircraft
5 of foreign countries.

6 "(b) ROUTINE AIRPORT SERVICES.—(1) Routine airport services may be furnished under
7 this section at no cost to the foreign country concerned where such services are provided by
8 United States Air Force personnel and equipment without direct cost to the Air Force.

9 "(2) When furnishing routine airport services under this section to military or other state
10 aircraft of a foreign country, the Secretary may furnish such services without reimbursement if
11 such services are provided under an agreement that provides for the reciprocal furnishing by such
12 country of routine airport services to military and other state aircraft of the United States without
13 reimbursement.

14 "(3) If routine airport services are furnished under this section by a working-capital fund
15 activity of the Air Force established under section 2208 of this title and such activity is not
16 reimbursed directly for the costs incurred by the activity in furnishing those services by reason of
17 paragraph (2), the working-capital fund activity shall be reimbursed for such costs out of
18 operating funds currently available to the Air Force."

19 (2) The table of sections at the beginning of chapter 939 of such title is amended by
20 striking the item relating to section 9626 and inserting the following new item:

21 "9626. Aircraft supplies and services: foreign military or other foreign state aircraft."

22 (b) CONFORMING AMENDMENT.—Section 9629(3) of such title is amended by striking "of

1 a foreign military or air attaché".

2 **Subtitle B—Nonproliferation Matters and Countries of Concern**

3 **SEC. 1211. REPEAL OF CERTAIN LAWS PERTAINING TO THE JOINT**
4 **COMMITTEE FOR THE REVIEW OF COUNTERPROLIFERATION**
5 **PROGRAMS.**

6 (a) JOINT COMMITTEE FOR THE REVIEW OF COUNTERPROLIFERATION PROGRAMS OF THE
7 UNITED STATES.—Section 1605 of the National Defense Authorization Act for Fiscal Year 1994
8 (title XVI of Public Law 103-160; 22 U.S.C. 2751 note) is repealed.

9 (b) REPORTS ON COUNTERPROLIFERATION ACTIVITIES AND PROGRAMS.—Section 1503 of
10 the National Defense Authorization Act for Fiscal Year 1995 (title XV of Public Law 103-337;
11 22 U.S.C. 2751 note) is repealed.

12 **Subtitle C—Other Matters**

13 **SEC. 1221. COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS:**
14 **NATO ORGANIZATIONS; ALLIED AND FRIENDLY FOREIGN**
15 **COUNTRIES.**

16 Subsection (e) of section 2350a, of title 10, United States Code, is amended—

17 (1) in paragraph (1)—

18 (A) by striking "an arms cooperation opportunities document" both places
19 it appears and inserting "a cooperative opportunities document"; and

20 (B) by striking "a Mission Need Statement" in subparagraph (B) and
21 inserting "an analysis of alternatives plan"; and

22 (2) in paragraph (2), by striking "An arms cooperation opportunities document"

1 and inserting "A cooperative opportunities document".

2 **SEC. 1222. AMENDMENT TO THE COMPOSITION OF THE BOARD OF**
3 **VISITORS OF THE WESTERN HEMISPHERE INSTITUTE FOR**
4 **SECURITY COOPERATION.**

5 Section 2166(e)(1)(F) of title 10, United States Code, is amended to read as follows:

6 "(F) The commanders of the combatant commands having geographic
7 responsibilities for the Western Hemisphere, or designees of those officers."

8 **SEC. 1223. ACCEPT FUNDS FROM THE GOVERNMENT OF PALAU.**

9 Section 1933(a) of title 48, United States Code, is amended—

10 (1) by inserting "(1)" before "In recognition"; and

11 (2) by adding at the end the following new paragraph—

12 "(2) The Secretary of Defense may accept the \$250,000 annual funds from the
13 Government of Palau. Funds accepted by the Secretary under this section from the
14 Government of Palau shall be credited to the appropriations available to the Department
15 of Defense for the Civic Action Team. Funds so credited shall be merged with the
16 appropriations to which credited and shall be available to the Civic Action Team for the
17 same purposes and the same period as the appropriations with which they are merged."

18 **SEC. 1224. SHARING RISKS IN INTERNATIONAL OPERATIONS.**

19 (a) SHARING RISKS IN INTERNATIONAL OPERATIONS.—Chapter 443 of title 49, United
20 States Code, is amended by adding at the end the following new subchapter:

"SUBCHAPTER II—RISK SHARING

Sec.

"44311. Sharing risks in international operations.

1 **"§ 44311. Sharing risks in international operations**

2 "(a) RISK-SHARING OBLIGATIONS. —With the approval of the President, the Secretary of
3 Defense or the Secretary of State may incur obligations that arise from losses incurred as a result
4 of participation in an international risk-sharing agreement covering aircraft operations in support
5 of the North Atlantic Treaty Organization or other similar international organization or alliance,
6 without regard to the nationality of registration or ownership of aircraft.

7 "(b) RISK-SHARING REVOLVING FUND.—(1) At the time of such obligation and for each
8 obligation there will be established a revolving fund in the Treasury, to be known as the air
9 operations risk-sharing revolving fund to be administered by the Secretary of Transportation, and
10 to be available without fiscal year limitation. The fund is distinct from the aviation insurance
11 revolving fund established by section 44307 of this chapter.

12 "(2) The fund shall be used to pay the amounts due to other nations or organizations and
13 to receive contributions from other nations or organizations under an agreement referred to in
14 subsection (a). Contributions received by the United States under an agreement referred to in
15 subsection (a) and credited to the air operations risk-sharing revolving fund may be used to pay
16 subsequent amounts due other nations or organizations under such agreement. When payment is
17 due under an agreement referenced in subsection (a), and the fund either has no monies or the
18 monies in the fund are insufficient to make the payment, the Secretary of the Department that has
19 incurred the obligation pursuant to subsection (a) shall provide the necessary amount to the air
20 operations risk-sharing revolving fund or directly to the other nations or organizations.

21 "(3) The Secretary of the Department that has incurred the obligation pursuant to
22 subsection (a) may request and the Secretary of Transportation may transfer funds from the air

1 operations risk-sharing revolving fund to the aviation insurance revolving fund in order to
2 satisfy, in whole or in part, an obligation owed to the Secretary of Transportation to cover losses
3 incurred at the request of the Secretary concerned pursuant to section 44305(b) of this title.

4 "(4) On request of the Secretary of Transportation, the Secretary of the Treasury may
5 invest all or any part of the amount in the air operations risk-sharing revolving fund in interest-
6 bearing securities of the United States government. The interest on, and the proceeds from, the
7 sale or redemption of the securities shall be credited to the air operations risk sharing revolving
8 fund.

9 "(5) At the completion of air operations entered pursuant to (a) above, the Secretary of
10 the Department that has incurred the obligation shall terminate the risk-sharing revolving fund
11 when the Secretary reasonably believes the no additional claims or contributions will be
12 received. Amounts in the risk-sharing revolving fund will be transferred to the miscellaneous
13 receipts account in the Treasury. Any contributions received after termination will also be
14 transferred to that account.

15 "(c) INDEMNIFICATION NOT AFFECTED.—This section does not affect a requirement to
16 make a prompt payment to the Secretary of Transportation for credit to the aviation insurance
17 revolving fund under an indemnity agreement under section 44305(b) of this title.

18 "(d) EXPENSES NOT INCURRED.—The requirement for the Secretary of Transportation to
19 pay expenses incurred through the use of appropriated funds under 44307(d) of this title shall not
20 apply to this section."

21 (b) CLERICAL AND CONFORMING AMENDMENTS.—

22 (1) The table of sections at the beginning of such chapter is amended—

1 (A) by inserting "SUBCHAPTER I—GENERAL" after "CHAPTER
2 443—INSURANCE"; and

3 (B) by adding at the end the following:

4 "SUBCHAPTER II—RISK SHARING

5 "44311. Sharing risks in international operations."

6 (2) Chapter 443 is further amended by inserting "SUBCHAPTER I—GENERAL"
7 before section 44301.

8 (3) Section 44307(a)(1) of such title is amended—

9 (A) by inserting "to be known as the aviation insurance revolving fund"
10 before the period at the end of the first sentence; and

11 (B) by striking "fund payments to carry out this chapter" in the second
12 sentence and inserting "aviation insurance revolving fund payments to carry out
13 this chapter except pursuant to section 44311".

14 (c) PERMANENT APPROPRIATION.—Section 9514 of title 10, United States Code, is
15 amended—

16 (1) by redesignating subsection (g) as subsection (h); and

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

18 "(g) RISK-SHARING OBLIGATIONS AUTHORITY AND PERMANENT APPROPRIATION.—(1)
19 Upon approval by the President, the Secretary of Defense, after consultation with the Secretary
20 of State, is authorized to enter into an international sharing of risk agreements pursuant to section
21 44311 of title 49 with regard to civil aircraft supporting military operations of the North Atlantic
22 Treaty Organization or similar international organization or alliance in which the United States is
23 a party. The Secretary of Defense may incur obligations that arise from losses incurred as a

1 result of an international risk-sharing agreement covering aircraft operations in support of the
2 North Atlantic Treaty Organization or other similar international organization or alliance,
3 without regard to the nationality of registration or ownership of the aircraft.

4 "(2) To fund obligations of such international sharing of risk agreements, there is
5 authorized to be appropriated to the Secretary of Defense such sums as may be necessary to pay
6 or incur such obligations. Any final judgment rendered in any suit authorized under federal law
7 and any final payment or settlement in furtherance of such international sharing of risk
8 agreements shall, upon the presentation of a duly authenticated copy thereof, be paid by the
9 proper accounting officers of the Department of Defense into the air operations risk-sharing
10 revolving fund from funds specifically appropriated by Congress for such international risk-
11 sharing agreement; otherwise there is hereby appropriated, out of any money in the Treasury of
12 the United States not otherwise appropriated, a sum sufficient to pay any such judgment or award
13 or settlement."

14 **TITLE XIII—MATTERS RELATED TO DEFENSE AGAINST**

15 **TERRORISM AND RELATED SECURITY MATTERS**

16 **SEC. 1301. RATIONALIZING REWARDS FOR ASSISTANCE IN COMBATING** 17 **TERRORISM.**

18 Section 127b of title 10, United States Code, is amended—

19 (1) in subsection (b), by striking "\$200,000" and inserting "\$5,000,000";

20 (2) in subsection (c)(1)(B), by striking "\$50,000" and inserting "\$1,000,000"; and

21 (3) in subsection (d)(2), by striking "\$100,000" and inserting "\$2,000,000".

22 **TITLE XIV—ADDITIONAL AUTHORIZATIONS FOR INCREASED**

1 **SEC. 1403. AIR FORCE PROCUREMENT.**

2 Funds are hereby authorized to be appropriated for fiscal year 2008 for procurement for
3 the Air Force as follows:

- 4 (1) For aircraft, \$3,336,809,000.
- 5 (2) For ammunition, \$74,005,000.
- 6 (3) For missiles, \$1,800,000.
- 7 (4) For other procurement, \$3,760,206,000.

8 **SEC. 1404. DEFENSE-WIDE ACTIVITIES PROCUREMENT.**

9 Funds are hereby authorized to be appropriated for fiscal year 2008 for Defense-wide
10 procurement in the amount of \$469,768,000.

11 **SEC. 1405. JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND.**

12 Funds are hereby authorized to be appropriated for fiscal year 2008 for the Joint
13 Improvised Explosive Device Defeat Fund in the amount of \$4,000,000,000.

14 **SEC. 1406. RESEARCH, DEVELOPMENT, TEST, AND EVALUATION.**

15 Funds are hereby authorized to be appropriated for fiscal year 2008 for the use of the
16 Department of Defense for research, development, test, and evaluation, as follows:

- 17 (1) For the Army, \$141,653,000.
- 18 (2) For the Navy, \$618,428,000.
- 19 (3) For the Air Force, \$1,369,781,000.
- 20 (4) For Defense-wide activities, \$727,498,000.

21 **SEC. 1407. OPERATION AND MAINTENANCE FUNDING.**

22 Funds are hereby authorized to be appropriated for fiscal year 2008 for the use of the

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

- 3 (1) For the Army, \$46,230,964,000.
- 4 (2) For the Navy, \$5,426,407,000.
- 5 (3) For the Marine Corps, \$4,013,093,000.
- 6 (4) For the Air Force, \$10,536,330,000.
- 7 (5) For the Defense-wide activities, \$6,098,990,000.
- 8 (6) For the Army Reserve, \$158,410,000.
- 9 (7) For the Navy Reserve, \$69,598,000.
- 10 (8) For the Marine Corps Reserve, \$68,000,000.
- 11 (9) For the Army National Guard, \$466,150,000.
- 12 (10) For the Air National Guard, \$31,168,000.

13 **SEC. 1408. WORKING CAPITAL FUNDS.**

14 Funds are hereby authorized to be appropriated for fiscal year 2008 for the use of the
15 Armed Forces and other activities and agencies of the Department of Defense for providing
16 capital for working capital and revolving funds in amounts as follows:

- 17 (1) For the Defense Working Capital Funds, \$1,676,275,000.
- 18 (2) For the National Defense Sealift Fund, \$5,110,000.

19 **SEC. 1409. OTHER DEPARTMENT OF DEFENSE PROGRAMS.**

20 (a) DEFENSE HEALTH PROGRAM.—Funds are hereby authorized to be appropriated for the
21 Department of Defense for fiscal year 2008 for expenses, not otherwise provided for, for the
22 Defense Health Program, in the amount of \$1,022,842,000 is for Operation and Maintenance.

1 (b) DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE-WIDE.—Funds are
2 hereby authorized to be appropriated for the Department of Defense for fiscal year 2008 for
3 expenses, not otherwise provided for, for Drug Interdiction and Counter-Drug Activities,
4 Defense-wide, in the amount of \$257,618,000.

5 (c) DEFENSE INSPECTOR GENERAL.—Funds are hereby authorized to be appropriated for
6 the Department of Defense for fiscal year 2008 for expenses, not otherwise provided for, for the
7 Office of the Inspector General of the Department of Defense, in the amount of \$4,394,000, is
8 for Operation and Maintenance.

9 **SEC. 1410. IRAQ FREEDOM FUND.**

10 Funds are hereby authorized to be appropriated for fiscal year 2008 for the Iraq Freedom
11 Fund in the amount of \$107,500,000.

12 **SEC. 1411. AFGHANISTAN SECURITY FORCES FUND.**

13 Funds are hereby authorized to be appropriated for fiscal year 2008 for the Afghanistan
14 Security Forces Fund in the amount of \$2,700,000,000.

15 **SEC. 1412. IRAQ SECURITY FORCES FUND.**

16 Funds are hereby authorized to be appropriated for fiscal year 2008 for the Iraq Security
17 Forces Fund in the amount of \$2,000,000,000.

18 **SEC. 1413. ADDITIONAL END STRENGTHS FOR ACTIVE FORCES.**

19 In addition to the end strengths authorized in section 401 of this Act, the Armed Forces
20 are authorized additional strengths for active duty personnel as of September 30, 2008, as
21 follows:

22 (1) The Army, 36,000.

1 (2) The Marine Corps, 9,000.

2 **SEC. 1414. MILITARY PERSONNEL.**

3 This section would authorize an additional \$17,070,263,000 for military personnel.

4 **SEC. 1415. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION**
5 **PROJECTS.**

6 Using amounts appropriated pursuant to the authorization of appropriations in section
7 1415(1), the Secretary of the Army may acquire real property and carry out military construction
8 projects for the installations or locations outside the United States, and in the amounts set forth in
9 the following table:

Army: Outside the United States		
Country	Installation or Location	Amount
Afghanistan	Bagram Air Base	103,000,000
Iraq	Camp Adder	80,650,000
	Al Asad	86,100,000
	Camp Anaconda	88,200,000
	Fallujah	880,000
	Camp Marez	880,000
	Mosul	43,000,000
	Q-West	26,000,000
	Camp Ramadi	880,000
	Scania	5,000,000
	Camp Speicher	103,700,00
	Camp Taqqadum	880,000
	Tikrit	43,000,000
	Camp Victory	34,400,000
	Camp Warrior	880,000
	Various Locations	102,000,000
	Total	719,450,000

10 **SEC. 1416. MILITARY CONSTRUCTION AUTHORIZATION OF APPROPRIATIONS,**
11 **ARMY.**

12 Funds are hereby authorized to be appropriated for fiscal years beginning after September

1 30, 2007, for military construction, land acquisition, and military family housing functions of the
2 Department of the Army in the total amount of \$738,850,000 as follows:

3 (1) For military construction projects outside the United States authorized by
4 section 607(a), \$719,450,000.

5 (2) For architectural and engineering services and construction design under
6 section 2807 of title 10, United States Code, \$19,400,000.

7 **SEC. 1417. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION**
8 **PROJECTS.**

9 Using amounts appropriated pursuant to the authorization of appropriations in section
10 1417(1), the Secretary of the Navy may acquire real property and carry out military construction
11 projects for the installations or locations inside the United States, and in the amounts set forth in
12 the following table:

Navy: Inside the United States		
State	Installation or Location	Amount
California	Camp Pendleton	102,034,000
	Twenty-Nine Palms	4,440,000
North Carolina	Camp Lejeune	43,340,000
	Total	149,814,000

13 **SEC. 1418. MILITARY CONSTRUCTION AUTHORIZATION OF APPROPRIATIONS,**
14 **NAVY.**

15 Subject to section 2825 of title 10, United States Code, funds are hereby authorized to be
16 appropriated for fiscal years beginning after September 30, 2007, for military construction, land
17 acquisition, and military family housing functions of the Department of the Navy in the total
18 amount of \$169,071,000, as follows:

1 (1) For military construction projects inside the United States authorized by
2 section 2201(a), \$149,814,000.

3 (2) For architectural and engineering services and construction design under
4 section 2807 of title 10, United States Code, \$7,491,000.

5 (3) For construction and acquisition, planning and design, and improvement of
6 military family housing and facilities, \$11,766,000.

7 **DIVISION B—MILITARY CONSTRUCTION**

8 **AUTHORIZATIONS**

9 Sec. 2001. Short title.

10 **SECTION 2001. SHORT TITLE.**

11 This division may be cited as the "Military Construction Authorization Act for Fiscal
12 Year 2007".

13 **TITLE XXI—ARMY**

14 [TO BE SUBMITTED AT A LATER DATE]

15 **TITLE XXII—NAVY**

16 [TO BE SUBMITTED AT A LATER DATE]

17 **TITLE XXIII—AIR FORCE**

18 [TO BE SUBMITTED AT A LATER DATE]

19 **TITLE XXIV—DEFENSE AGENCIES**

20 [TO BE SUBMITTED AT A LATER DATE]

21 **TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION**

1 **SECURITY INVESTMENT PROGRAM**

2 [TO BE SUBMITTED AT A LATER DATE]

3 **TITLE XXVI—CHEMICAL DEMILITARIZATION CONSTRUCTION**
4 **PROGRAM**

5 [TO BE SUBMITTED AT A LATER DATE]

6 **TITLE XXVII—GUARD AND RESERVE FORCES FACILITIES**

7 [TO BE SUBMITTED AT A LATER DATE]

8 **TITLE XXVIII—EXPIRATION AND EXTENSION OF**
9 **AUTHORIZATIONS**

10 [TO BE SUBMITTED AT A LATER DATE]

11 **TITLE XXIX—MILITARY CONSTRUCTION GENERAL PROVISIONS**

12 **Subtitle A—Military Construction Program and Military Family Housing**
13 **Changes**

14 **SEC. 2901. ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT**
15 **OF MILITARY HOUSING.**

16 Section 2883(c) of title 10, United States Code, is amended—

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

18 "(G) Subject to subsection (f), any amounts that the Secretary of Defense
19 transfers to that Fund from amounts in the Department of Defense Base Closure
20 Account 2005."; and

21 (2) in paragraph (2), by adding at the end the following new subparagraph:

1 "(G) Subject to subsection (f), any amounts that the Secretary of Defense
2 transfers to that Fund from amounts in the Department of Defense Base Closure
3 Account 2005."

4 **SEC. 2902. INCREASED THRESHOLD FOR CONGRESSIONAL NOTIFICATION OF**
5 **LEASES FOR MILITARY FAMILY HOUSING FACILITIES IN A**
6 **FOREIGN COUNTRY.**

7 Section 2828(f) of title 10, United States Code, is amended by striking "\$500,000" and
8 inserting "\$1,000,000".

9 **SEC. 2903. UPDATING FOREIGN CURRENCY FLUCTUATION ADJUSTMENT FOR**
10 **CERTAIN MILITARY FAMILY HOUSING LEASES IN KOREA.**

11 Section 2828(e)(5)(A) of title 10, United States Code, is amended to read as
12 follows:

13 "(A) for—

14 " (i) foreign currency fluctuations from October 1, 1987, in the case
15 of maximum lease amounts provided for under paragraphs (1), (2), and
16 (3); or

17 " (ii) foreign currency appreciation during the previous fiscal year,
18 starting from October 1, 2002, in the case of the maximum lease amount
19 provided for under paragraph (4); and"

20 **SEC. 2904. FLEXIBILITY IN DETERMINING DOMESTIC FAMILY HOUSING**
21 **LEASE MAXIMUMS.**

22 Section 2828(b) of title 10, United States Code, is amended—

1 (1) in paragraph (2), by striking "paragraphs (3) and (4)" and inserting
2 "paragraphs (3), (4), and (7)"; and

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

4 "(7) The Secretary of the Army may lease not more than 600 of the 10,000 family
5 housing units provided in paragraph (1) at an amount not greater than 33 percent above
6 the maximum lease amount under paragraph (3), as adjusted under paragraph (5) for the
7 fiscal year in which a unit is leased under this paragraph. The maximum lease amount
8 provided in this paragraph shall apply only to Army family housing in areas designated
9 by the Secretary of the Army and for leases not to exceed a term of 2 years."

10 **SEC. 2905. EXTENSION OF AUTHORITY TO ACCEPT EQUALIZATION**

11 **PAYMENTS FOR FACILITY EXCHANGES.**

12 Paragraph (5) of section 2809(c) of the Ronald W. Reagan National Defense
13 Authorization Act for Fiscal Year 2005 (Public Law 108-375; 118 Stat. 2126) is amended by
14 striking "September 30, 2007" and inserting "September 30, 2010".

15 **Subtitle B—Real Property and Facilities Administration**

16 **SEC. 2911. CONSOLIDATION OF REAL PROPERTY PROVISIONS WITHOUT**

17 **SUBSTANTIVE CHANGE.**

18 (a) CONSOLIDATION.—Section 2663 of title 10, United States Code, is amended by
19 adding at the end the following new subsection:

20 "(h) OPTIONS FOR MILITARY CONSTRUCTION PROJECTS.—(1) The Secretary of a military
21 department may acquire an option on a parcel of real property before or after its acquisition is
22 authorized by law, if he considers it suitable and likely to be needed for a military project of his

1 department.

2 "(2) As consideration for an option acquired under paragraph (1), the Secretary may pay,
3 from funds available to his department for real property activities, an amount that is not more
4 than 12 percent of the appraised fair market value of the property."

5 (b) CONFORMING AMENDMENTS.—(1) Section 2677 of such title is repealed.

6 (2) The table of sections at the beginning of chapter 159 of such title is amended by
7 striking the item relating to section 2677.

8 **SEC. 2912. TRANSFER OF THE AIR FORCE MEMORIAL TO THE DEPARTMENT**
9 **OF THE AIR FORCE.**

10 (a) TRANSFER OF JURISDICTION.—Notwithstanding any other provision of section 2863 of
11 the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107-107; 115 Stat.
12 1330), and section 2881 of the National Defense Authorization Act for Fiscal Year 2000 (Public
13 Law 106-65; 113 Stat. 879), administrative jurisdiction, custody, and control of the parcel of land
14 described in section 2863(b)(1) of the National Defense Authorization Act for Fiscal Year 2002
15 is hereby transferred to the Secretary of the Air Force.

16 (b) ACCESS AND MANAGEMENT OF THE AIR FORCE MEMORIAL.—In addition to existing
17 authorities, the Secretary of the Air Force may enter into a cooperative agreement with the Air
18 Force Memorial Foundation or other appropriate private organizations to provide management,
19 maintenance and repair of the Air Force Memorial and surrounding site and to guarantee public
20 access to the memorial.

21 **Subtitle C—Land Conveyances**

22 **SEC. 2921. LAND TRANSFER OF ARLINGTON NAVAL ANNEX TO ARLINGTON**

1 **NATIONAL CEMETERY.**

2 Section 2881(h) of the National Defense Authorization Act for Fiscal Year 2000 (Public
3 Law 106-65; 113 Stat. 879), is amended by striking paragraphs (1) and (2) and inserting the
4 following new paragraphs:

5 "(1) January 1, 2013;

6 "(2) the date when the Arlington Naval Annex property is no longer required (as
7 determined by the Secretary of Defense) for use as temporary office space; or

8 "(3) twelve months after the date the Secretary of the Army notifies the Secretary
9 of Defense that the Arlington Naval Annex property is needed for the expansion of
10 Arlington National Cemetery."

11 **Subtitle D—Other Matters**

12 **SEC. 2931. AUTHORITY TO USE OPERATION AND MAINTENANCE FUNDS**

13 **FOR CONSTRUCTION PROJECTS OUTSIDE THE UNITED STATES.**

14 (a) IN GENERAL.—Chapter 169 of title 10, United States Code, is amended by inserting
15 after section 2809 the following new section:

16 **"§ 2810. Authority to use operation and maintenance funds for construction projects**
17 **outside the United States**

18 "(a) IN GENERAL.—The Secretary of Defense may obligate appropriated funds available
19 for operation and maintenance to carry out a construction project outside the United States that
20 the Secretary determines meets each of the following conditions:

21 "(1) The construction is necessary to meet urgent military operational
22 requirements involving the use of the armed forces in support of a declaration of war, the

1 declaration by the President of a national emergency under section 201 of the National
2 Emergencies Act (50 U.S.C. 1621), or a contingency operation.

3 "(2) The requirement is of a temporary nature, such that there is no intention of
4 using the construction after the operational requirements have been satisfied.

5 "(3) The level of construction is the minimum necessary to meet the temporary
6 operational requirements.

7 "(b) LIMITATION ON USE OF AUTHORITY.—(1) The total cost of the construction projects
8 carried out under this section shall not exceed \$200,000,000 in any fiscal year.

9 "(2) The Secretary of Defense may waive the limitation imposed by paragraph (1) if the
10 Secretary determines that the obligation of operation and maintenance funds for construction
11 projects in excess of the amount specified in such paragraph is vital to the national security.

12 "(3) Upon use of the waiver authority granted by paragraph (2), the Secretary shall notify
13 the Office of Management and Budget of the amounts of operation and maintenance funds
14 obligated in excess of \$200,000,000 along with a description of the projects so funded.

15 "(c) RELATION TO OTHER AUTHORITIES.—The authority provided by this section, and the
16 limited authority provided by section 2805(c) of this title, are the only authorities available to the
17 Secretary of Defense and the Secretaries of the military departments to use appropriated funds
18 available for operation and maintenance to carry out construction projects."

19 (b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is
20 amended by inserting after the item relating to section 2809 the following new item:

21 "2810. Authority to use operation and maintenance funds for construction projects outside the United States."

22 **SEC. 2932. STREAMLINING MILITARY CONSTRUCTION TO REDUCE FACILITY**
23 **ACQUISITION AND CONSTRUCTION CYCLE TIME.**

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

2 (1) in subsection (a)(1)—

3 (A) by striking "\$1,500,000" and inserting "\$3,000,000"; and

4 (B) by striking "\$3,000,000" in the last sentence and inserting
5 "\$7,000,000";

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

7 (3) in subsection (c)(1)—

8 (A) in subparagraph (A)—

9 (i) by striking "\$1,500,000" and inserting "\$3,000,000"; and

10 (ii) by striking "or" at the end;

11 (B) in subparagraph (B)—

12 (i) by striking "\$750,000" and inserting "\$1,500,000"; and

13 (ii) by striking the period at the end and inserting "; or" and

14 (C) by adding at the end the following new subparagraph:

15 "(C) \$2,000,000, in cases where the disposal of obsolete facilities
16 as part of the project results in a reduction in facility footprint at least equal to the
17 footprint of the new facility. The approving official must certify the demolition
18 (or disposal by other means) of the offsetting facility."

19 **SEC. 2933. AMENDMENT OF THE FEDERAL LAND POLICY AND MANAGEMENT**
20 **ACT OF 1976 TO INCLUDE NEVADA AS A STATE WHERE THE**
21 **MILITARY CAN ACCESS PUBLIC LAND VIA A PERMIT GRANTED**
22 **BY THE SECRETARY OF THE INTERIOR.**

1 Section 302(d) of the Federal Land Policy and Management Act of 1976 (43 U.S.C.
2 1732) is amended—
3 (1) by inserting "or Nevada, as appropriate," after "Governor of Alaska"; and
4 (2) by inserting "or Nevada, as appropriate," after "Recreation Area)".