

Public Law 99-145
99th Congress

An Act

To authorize appropriations for military functions of the Department of Defense and to prescribe military personnel levels for the Department of Defense for fiscal year 1986, to revise and improve military compensation programs, to improve defense procurement procedures, to authorize appropriations for fiscal year 1986 for national security programs of the Department of Energy, and for other purposes.

Nov. 8, 1985
[S. 1160]

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

Department of
Defense
Authorization
Act, 1986.

SECTION 1. SHORT TITLE; TABLE OF CONTENTS

(a) SHORT TITLE.—This Act may be cited as the “Department of Defense Authorization Act, 1986”.

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

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TITLE I—PROCUREMENT

PART A—FUNDING AUTHORIZATIONS

SEC. 101. ARMY

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds are hereby authorized to be appropriated for fiscal year 1986 for procurement for the Army as follows:

(1) For aircraft, \$3,676,100,000.

(2) For missiles, \$3,272,700,000.

(3) For weapons and tracked combat vehicles, \$5,211,000,000.

(4) For ammunition, \$2,549,000,000.

(5) For other procurement, \$5,323,500,000, of which—

(A) \$1,002,700,000 is for tactical and support vehicles;

(B) \$3,131,300,000 is for communications and electronics equipment;

(C) \$1,307,400,000 is for other support equipment; and

(D) \$105,300,000 is for non-centrally managed items.

(b) **AUTHORIZATION OF TRANSFERS OF PRIOR-YEAR FUNDS.**—There are hereby authorized to be transferred to, and merged with, amounts appropriated for procurement for the Army for fiscal year 1986 pursuant to the authorization of appropriations in subsection (a) the following amounts:

(1) **AIRCRAFT.**—\$101,800,000 for procurement of aircraft, to be derived from amounts appropriated for fiscal year 1985 for procurement of aircraft for the Army.

(2) **MISSILES.**—\$25,000,000 for procurement of missiles, to be derived from amounts appropriated for fiscal year 1985 for procurement of missiles for the Army.

(3) **WEAPONS AND TRACKED COMBAT VEHICLES.**—\$117,900,000 for procurement of weapons and tracked combat vehicles, of which—

(A) \$52,600,000 shall be derived from amounts appropriated for fiscal year 1984 for procurement of weapons and tracked combat vehicles for the Army;

(B) \$40,000,000 shall be derived from amounts appropriated for fiscal year 1985 for procurement of weapons and tracked combat vehicles for the Army;

(C) \$25,300,000 shall be derived from amounts available for fiscal year 1985 for procurement of weapons and tracked combat vehicles for the Army resulting from the sale of M48A5 tanks under a letter of offer issued pursuant to section 21(a)(1) of the Arms Export Control Act;

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(4) **AMMUNITION.**—\$140,000,000 for procurement of ammunition, of which—

(A) \$30,000,000 shall be derived from amounts appropriated for fiscal year 1984 for procurement of ammunition for the Army; and

(B) \$110,000,000 shall be derived from amounts appropriated for fiscal year 1985 for procurement of ammunition for the Army.

(5) **OTHER PROCUREMENT.**—\$230,600,000 for other procurement, of which—

(A) \$79,000,000 shall be derived from amounts appropriated for fiscal year 1984 for other procurement for the Army; and

(B) \$151,600,000 shall be derived from amounts appropriated for fiscal year 1985 for other procurement for the Army.

(c) **AUTHORIZED MULTIYEAR CONTRACTS.**—(1) Subject to paragraph (3), the Secretary of the Army may enter into multiyear contracts in accordance with section 2306(h) of title 10, United States Code, for procurement of the following:

T-700 series engines.

Chassis for the M1A1 tank.

AGT 1500 turbine engine for the M1 tank.

Laser range finder and thermal integrated sight fire control components for the M1 tank.

Electronic unit and control panel components for the ballistic computer for the M1 tank.

Transmission system for the Bradley Fighting Vehicle.

(2) The Secretary of the Army may not enter into a multiyear contract for procurement of the Armored Combat Earthmover.

(3) A multiyear contract authorized by paragraph (1) may not be entered into unless the total anticipated cost over the period of the contract is no more than 90 percent of the total anticipated cost of carrying out the same program through annual contracts.

(d) **REMOVAL OF LIMITATION ON CONTRACTORS FOR 120-MILLIMETER MORTAR.**—The Secretary of the Army may select a contractor for the supply of 120-millimeter mortars for the Army as if section 101(e) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2499), had not been enacted.

(e) **MULTIYEAR CONTRACT FOR 1985 MLRS PROGRAM PROCUREMENT.**—Notwithstanding section 1502(a) of title 31, United States Code, or any other Act, funds appropriated for the multiple-launch rocket system (MLRS) program of the Army for fiscal year 1985 may be used to enter into contracts for purchases in economic-order quantities of materials and components for use with end items

under the program proposed for procurement during fiscal year 1989.

SEC. 102. NAVY AND MARINE CORPS

(a) **AIRCRAFT.**—(1) Funds are hereby authorized to be appropriated for fiscal year 1986 for procurement of aircraft for the Navy in the amount of \$11,599,900,000.

(2) Funds appropriated for fiscal year 1985 for procurement of aircraft for the Navy are hereby authorized to be transferred to, and merged with, amounts appropriated for procurement of aircraft for the Navy for fiscal year 1986 pursuant to the authorization of appropriations in paragraph (1) in the amount of \$109,000,000.

(b) **WEAPONS.**—(1)(A) Funds are hereby authorized to be appropriated for fiscal year 1986 in the total amount of \$5,655,100,000 for procurement of weapons (including missiles and torpedoes) for the Navy.

(B) There are hereby authorized to be transferred to, and merged with, amounts appropriated for procurement of weapons for the Navy for fiscal year 1986 the amount of \$15,000,000, to be derived from amounts appropriated for fiscal year 1985 for procurement of weapons for the Navy.

(2) Funds appropriated or otherwise made available for procurement of weapons for the Navy for fiscal year 1986 pursuant to the authorizations in paragraph (1) are available as follows:

(A) For missile programs, \$4,430,400,000.

(B) For torpedo programs:

For the MK-48 torpedo program, \$417,400,000.

For the MK-46 torpedo program, \$129,100,000.

For the MK-60 CAPTOR mine program, \$59,600,000.

For the MK-30 mobile target program, \$20,600,000.

For the MK-38 minimobile target program, \$3,500,000.

For the antisubmarine rocket (ASROC) program, \$15,600,000.

For the modification of torpedoes and related equipment, \$141,200,000.

For the torpedo support equipment program, \$47,400,000.

For the antisubmarine warfare range support program, \$23,200,000.

(C) For other weapons:

For the MK-15 close-in weapon system program, \$150,100,000.

For the MK-75 76-millimeter gun mount program, \$20,000,000.

For other weapons programs, \$77,300,000.

(D) For spares and repair parts, \$166,600,000.

(c) **SHIPBUILDING AND CONVERSION.**—(1)(A) Funds are hereby authorized to be appropriated for fiscal year 1986 for shipbuilding and conversion for the Navy in the total amount of \$10,001,200,000.

(B) Funds appropriated for fiscal years before fiscal year 1986 are hereby authorized to be transferred to, and merged with, amounts appropriated pursuant to the authorization of appropriations in subparagraph (A) in the total amount of \$859,600,000. Such amount shall be derived in accordance with paragraph (3).

(2) Funds appropriated or otherwise made available for shipbuilding and conversion for fiscal year 1986 pursuant to the authorizations in paragraph (1) are available as follows:

For the Trident submarine program, \$1,481,800,000.

For the SSN-688 nuclear attack submarine program, \$2,698,400,000.

For the aircraft carrier service life extension program (SLEP), \$133,400,000.

For the CG-47 Aegis cruiser program, \$2,766,200,000.

For the DDG-51 guided missile destroyer program, \$164,300,000.

For the LSD-41 landing ship dock program, \$414,400,000.

For the LHD-1 amphibious assault ship program, \$1,314,200,000.

For the MCM-1 mine countermeasures ship program, \$167,100,000.

For the MSH-1 coastal mine hunter ship program, \$184,500,000.

For the TAO-187 fleet oiler program, \$328,500,000.

For the TAGOS ocean surveillance ship program, \$115,100,000.

For the acoustic research vessel program, \$68,900,000.

For the strategic sealift ready reserve program, \$228,400,000.

For the TACS auxiliary crane ship program, \$82,500,000.

For the TAVB aviation logistics support ship program, \$26,900,000.

For the LCAC landing craft air cushion program, \$307,000,000.

For the battleship reactivation program, \$53,500,000.

For service craft and landing craft, \$72,100,000.

For the moored training ship program, \$26,500,000.

For outfitting and post delivery, \$341,100,000.

(3) Amounts transferred pursuant to paragraph (1)(B) to amounts appropriated for shipbuilding and conversion pursuant to the authorization of appropriations in paragraph (1)(A) shall be derived from amounts appropriated for shipbuilding and conversion for the Navy for fiscal years before fiscal year 1986 as follows:

(A) \$357,500,000 shall be derived from amounts appropriated for fiscal years before fiscal year 1983.

(B) \$153,000,000 shall be derived from amounts appropriated for fiscal year 1983.

(C) \$156,100,000 shall be derived from amounts appropriated for fiscal year 1984.

(D) \$193,000,000 shall be derived from amounts appropriated for fiscal year 1985.

(4)(A) The Secretary of the Navy is hereby authorized to transfer to and merge with amounts appropriated pursuant to the authorizations of appropriations in paragraph (1) amounts described in subparagraph (B).

(B) Amounts that may be transferred under subparagraph (A) are amounts appropriated for fiscal year 1985 and prior years for shipbuilding and conversion for the Navy and remaining available for obligation as a result of cost savings in carrying out shipbuilding programs for fiscal year 1985 and prior years. Any such transfer is in addition to the transfers described in paragraph (3).

(5)(A) The Secretary of the Navy may transfer to amounts available for the battleship reactivation program for fiscal year 1986 such amounts as may be available as a result of cost savings in carrying out shipbuilding programs for fiscal year 1986 and prior years. Any such transfer is in addition to the transfers described in paragraphs (3) and (4).

Post, p. 742.

(B) Section 1401 shall not apply to any transfer under this paragraph of funds appropriated for fiscal year 1986.

(d) OTHER PROCUREMENT, NAVY.—(1)(A) Funds are hereby authorized to be appropriated for fiscal year 1986 for other procurement for the Navy in the amount of \$6,040,800,000.

(B) There is hereby authorized to be transferred to, and merged with, amounts appropriated for other procurement for the Navy, the amount of \$221,000,000, to be derived from amounts appropriated for fiscal years 1984 and 1985 for other procurement for the Navy, of which—

(i) \$70,000,000 shall be derived from amounts appropriated for fiscal year 1984; and

(ii) \$151,000,000 shall be derived from amounts appropriated for fiscal year 1985.

(2) Funds appropriated or otherwise made available for other procurement for the Navy for fiscal year 1986 pursuant to the authorizations in paragraph (1) are available as follows:

(A) \$935,000,000 is available only for the ship support equipment program;

(B) \$2,134,500,000 is available only for the communications and electronics equipment program;

(C) \$1,206,800,000 is available only for aviation support equipment;

(D) \$1,396,500,000 is available only for the ordnance support equipment program;

(E) a total of \$685,000,000 is available only for programs for civil engineering support equipment, supply support equipment, and personnel/command support equipment;

(F) \$279,800,000 is available only for spares and repair parts; and

(G) \$125,300,000 is available only for non-centrally managed items.

(e) PROCUREMENT, MARINE CORPS.—(1) Funds are hereby authorized to be appropriated for fiscal year 1986 for procurement for the Marine Corps (including missiles, tracked combat vehicles, and other weapons) in the amount of \$1,727,400,000.

(2) There is hereby authorized to be transferred to, and merge with, amounts appropriated for procurement for the Marine Corps for fiscal year 1986 pursuant to the authorization of appropriations in paragraph (1) \$28,000,000 to be derived from amounts appropriated for fiscal year 1985 for procurement for the Marine Corps.

(f) AUTHORIZED MULTIYEAR CONTRACTS.—(1) The Secretary of the Navy may enter into multiyear contracts in accordance with section 2306(h) of title 10, United States Code, for procurement of the following:

LHD-1 class amphibious assault ships.

MK-46 torpedoes and modification kits.

(2) The Secretary of the Navy may not enter into a multiyear contract for the procurement of the P-3C Orion antisubmarine warfare patrol aircraft.

(g) FUNDING FOR SHIP CONTRACT DESIGN.—Any request submitted to Congress for appropriations for a fiscal year after fiscal year 1986 for ship contract design necessary to support the procurement of ships included (at the time the request is submitted) in the Navy's five-year shipbuilding and conversion plan shall be reflected in the Shipbuilding and Conversion account of the Navy.

SEC. 103. AIR FORCE

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds are hereby authorized to be appropriated for fiscal year 1986 for procurement for the Air Force as follows:

- (1) For aircraft, \$24,435,300,000.
- (2) For missiles, \$9,008,600,000.
- (3) For other procurement, \$8,571,100,000, of which—
 - (A) \$1,432,400,000 is for munitions and associated support equipment;
 - (B) \$320,800,000 is for vehicular equipment;
 - (C) \$2,635,800,000 is for electronics and telecommunications equipment;
 - (D) \$4,655,400,000 is for other base maintenance and support equipment; and
 - (E) \$54,700,000 is available only for non-centrally managed items.

(b) **AUTHORIZATION OF TRANSFERS OF PRIOR-YEAR FUNDS.**—There are hereby authorized to be transferred to, and merged with, amounts appropriated for procurement for the Air Force for fiscal year 1986 pursuant to the authorization of appropriations in subsection (a) the following amounts:

- (1) **AIRCRAFT.**—\$406,000,000 for procurement of aircraft, to be derived from amounts appropriated for fiscal year 1985 for procurement of aircraft for the Air Force.
- (2) **MISSILES.**—\$42,800,000 for procurement of missiles, to be derived from amounts appropriated for fiscal years before fiscal year 1986 for procurement of missiles for the Air Force, of which—
 - (A) \$35,000,000 shall be derived from amounts appropriated for fiscal year 1985; and
 - (B) \$7,800,000 shall be derived from amounts appropriated for fiscal years before fiscal year 1985.
- (3) **OTHER PROCUREMENT.**—\$282,000,000 for other procurement, to be derived from amounts appropriated for fiscal years before fiscal year 1986 for other procurement for the Air Force, of which—
 - (A) \$86,000,000 shall be derived from amounts appropriated for fiscal year 1984; and
 - (B) \$196,000,000 shall be derived from amounts appropriated for fiscal year 1985.

SEC. 104. RESERVE COMPONENTS

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds are hereby authorized to be appropriated for fiscal year 1986 for procurement of aircraft, missiles, tracked combat vehicles, ammunition, other weapons, and other procurement for the reserve components of the Armed Forces as follows:

- For the Army National Guard, \$223,400,000.
- For the Air National Guard, \$210,000,000.
- For the Naval Reserve, \$45,000,000.
- For the Marine Corps Reserve, \$60,000,000.
- For the Air Force Reserve, \$120,000,000.

(b) **AUTHORIZATIONS IN ADDITION TO OTHER AMOUNTS.**—The authorizations of appropriations contained in subsection (a) are in addition to any other amounts authorized to be appropriated by this or any other Act.

SEC. 105. DEFENSE AGENCIES

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds are hereby authorized to be appropriated for fiscal year 1986 for the Defense Agencies in the amount of \$1,342,300,000.

(b) **AUTHORIZATION OF TRANSFERS OF PRIOR-YEAR FUNDS.**—There is hereby authorized to be transferred to, and merged with, amounts appropriated for procurement for the Defense Agencies for fiscal year 1986 pursuant to the authorization of appropriations in subsection (a) the amount of \$36,000,000, to be derived from amounts appropriated for fiscal years before fiscal year 1986 for procurement for the Defense Agencies, of which—

(1) \$15,000,000 shall be derived from amounts appropriated for fiscal year 1984; and

(2) \$21,000,000 shall be derived from amounts appropriated for fiscal year 1985.

SEC. 106. NATO COOPERATIVE PROGRAMS

(a) **AUTHORIZATION OF APPROPRIATIONS FOR COOPERATIVE DEFENSE PROGRAMS.**—(1) There is hereby authorized to be appropriated to the Secretary of Defense for fiscal year 1986 the amount of \$75,000,000 for North Atlantic Treaty Organization cooperative defense programs as follows:

For acquisition of point air defense of United States airbases in the Federal Republic of Germany, \$30,000,000.

For acquisition of point air defense of United States airbases and other critical United States military facilities in Italy, \$15,000,000.

For acquisition of point air defense and port defense for facilities in Belgium, \$15,000,000.

For acquisition of point air defense of United States airbases in Turkey, \$15,000,000.

(2) None of the amounts appropriated pursuant to the authorizations in paragraph (1) may be obligated—

(A) for implementation of a cooperative program until the Secretary of Defense submits to the Committees on Armed Services of the Senate and House of Representatives a copy of each government-to-government agreement relating to that program; or

(B) for acquisitions in connection with a NATO cooperative defense program in which the financial obligations of the United States exceed the collective financial obligations of European countries in connection with such program.

(b) **EXTENSION OF AUTHORITY PROVIDED SECRETARY OF DEFENSE IN CONNECTION WITH THE NATO AWACS PROGRAM.**—Effective on October 1, 1985, section 103(a) of the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1100), is amended by striking out “fiscal year 1985” both places it appears and inserting in lieu thereof “fiscal year 1986”.

SEC. 107. REDUCTIONS IN AUTHORIZATIONS DUE TO SAVINGS FROM LOWER INFLATION AND PRIOR-YEAR COST SAVINGS

(a) **CERTAIN FY86 AUTHORIZATION REDUCTIONS TO BE FROM COST SAVINGS.**—Authorization reductions described in subsection (b)—

(1) may not be derived through cancellation of any authorized program, stretchout of procurement under any authorized program, or any other change in an authorized program; but

(2) may be derived only through cost reductions in programs of the Department of Defense under this title that are achieved without a reduction in the quantity or quality of goods or services acquired by the Department, including reductions due to the rate of inflation for fiscal year 1986 being lower than the rate assumed in the President's budget for fiscal year 1986.

(b) IDENTIFICATION OF AMOUNTS.—Subsection (a) applies to the following amounts that represent reductions from amounts requested in the President's Budget for fiscal year 1986 and that have been incorporated into the amounts authorized in sections 101 through 105:

- (1) Aircraft, Army, \$5,000,000.
- (2) Missiles, Army, \$4,000,000.
- (3) Weapons and tracked combat vehicles, Army, \$7,000,000.
- (4) Ammunition, Army, \$3,000,000.
- (5) Other procurement, Army, \$5,000,000.
- (6) Aircraft, Navy, \$15,000,000.
- (7) Weapons, Navy, \$7,000,000.
- (8) Shipbuilding and conversion, Navy, \$14,000,000.
- (9) Other procurement, Navy, \$6,000,000.
- (10) Procurement, Marine Corps, \$2,000,000.
- (11) Aircraft, Air Force, \$32,000,000.
- (12) Missiles, Air Force, \$13,000,000.
- (13) Other Procurement, Air Force, \$9,000,000.
- (14) Defense Agencies, \$1,000,000.

Ante, p. 590.

Ante, pp. 592-596.

SEC. 108. PROVISIONS RELATING TO TRANSFERS OF PRIOR-YEAR FUNDS

(a) AUTHORIZATION OF TRANSFERS SUBJECT TO PROVISIONS OF APPROPRIATIONS ACTS.—Transfers authorized by this title (other than a transfer described in section 102(c)(5)(B)) may be made only to the extent provided in appropriation Acts.

Ante, p. 592.

(b) SOURCE OF TRANSFERRED FUNDS.—(1) All amounts transferred under this title shall be derived from funds that remain available for obligation.

(2) Except as provided in paragraphs (3) and (4), such funds—

(A) may not be derived through cancellation of any program, stretchout of procurement under any program, or any other program change; but

(B) may be derived only through cost reductions (including reductions due to rates of inflation being lower than rates assumed when such funds were budgeted) under programs for which such funds were authorized and appropriated that are achieved without a reduction in the quantity or quality of goods or services acquired by the Department of Defense.

(3)(A) Funds for the transfer authorized by section 101(b)(3)(B) may be derived from the Sergeant York Air Defense Gun.

Ante, p. 590.

(B) Funds for the transfer authorized by section 101(b)(4)(B) may be derived from 120-millimeter mortar ammunition.

(C) Funds for the transfer authorized by section 101(b)(5)(B) may be derived from the Single Channel Objective Tactical Terminal and M9 Armored Combat Earthmover programs.

(4) Paragraph (2) shall not apply to funds for the transfers authorized by section 101(b)(3)(C) and section 131(c).

Post, p. 603.

SEC. 109. REPORT ON REDUCTIONS AND TRANSFERS

The Secretary of Defense may not implement a program change under a reduction described in section 107 or under a transfer under

Ante, p. 596.

Ante, p. 596.

this title until the Secretary submits to the Committees on Armed Services of the Senate and House of Representatives a report describing the programs in which such reductions will be made in accordance with section 107 and the programs that are the source of the funds transferred under this title.

SEC. 110. IMPROVEMENT IN CONVENTIONAL READINESS CAPABILITY

(a) **SENSE OF CONGRESS.**—It is the sense of Congress that the United States should place greater emphasis on the improvement of the capabilities of United States conventional forces, particularly in cooperation with other member nations of the North Atlantic Treaty Organization, and that such an improvement would reduce the threat of nuclear war.

(b) **INCREASED AUTHORIZATIONS FOR CONVENTIONAL CAPABILITY.**—Accordingly, authorizations of appropriations for programs to improve the conventional readiness capabilities of the Armed Forces in addition to the amounts requested in the President's budget for fiscal year 1986 have been included in the appropriate provisions of this Act, and similar emphasis on conventional defense capabilities is to be expected in future legislation authorizing appropriations for the Department of Defense.

PART B—ARMY PROGRAM LIMITATIONS

SEC. 121. SERGEANT YORK DIVISION AIR DEFENSE (DIVAD) GUN

Contracts.
Reports.

(a) **LIMITATION ON FURTHER PROCUREMENT.**—The Secretary of the Army may not obligate funds to execute option III of the production contract for procurement of fire units of the Sergeant York Division Air Defense (DIVAD) Gun system or to enter into a new contract for production and assembly of that system until—

(1) the initial production testing and the follow-on evaluation I are completed and the results of the testing and evaluation demonstrate that the Sergeant York System meets or exceeds the pass/fail criteria of the tests established jointly by the Secretary of the Army and the Secretary of Defense;

Report.

(2) the Director of Operational Test and Evaluation of the Department of Defense submits to the Secretary of Defense and the Committees on Armed Services of the Senate and House of Representatives a report giving the Director's evaluation of the results of such testing and evaluation;

Report.

(3) the Secretary of Defense reports to those committees on the results of such testing and evaluation and certifies that such testing reliably demonstrates that the operational capabilities of the Sergeant York system meet or exceed the performance specifications of the contract;

Report.

(4) the Secretary of the Army submits to those committees a report describing a contractor guarantee of the performance of the system described in subsection (b)(1); and

(5) 30 days have elapsed after the report under paragraph (4) is received by those committees.

(b) **PERFORMANCE GUARANTEE.**—(1) The guarantee of the contractor under subsection (a)(4) shall provide that each fire unit of the system shall operate in accordance with the performance specifications of the contract for the system for the maximum feasible duration and in any event for not less than one year.

(2) The terms of a guarantee under this subsection shall be in addition to terms of any previous guarantee or warranty of the

system by the contractor required under section 2403 of title 10, United States Code, or any predecessor provision.

98 Stat. 2601.

(3) A guarantee under this subsection shall apply to contracts for fiscal years after fiscal year 1985.

SEC. 122. BRADLEY FIGHTING VEHICLE

(a) **REQUIREMENT FOR REPORTS ON TESTING.**—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives two reports with respect to the Bradley Fighting Vehicle. The reports shall describe the results of the first and second phases, respectively, of the live-fire survivability testing program being carried out with respect to such vehicle. The reports shall be submitted in both classified and unclassified versions.

(b) **REQUIRED ELEMENTS OF TESTING PROGRAM.**—In phase 1 of the testing program referred to in subsection (a), at least 10 live-fire tests using antiarmor weapons of the Soviet Union shall be conducted against such vehicle in its current configuration. In phase 2 of the testing program, similar tests shall be conducted against such vehicle in a configuration with enhanced survivability features.

(c) **CONTENT OF REPORTS.**—The reports required by this section shall include the following:

(1) A complete analysis of the results of the testing program referred to in subsection (a), including an accounting of all of the test shots which were fired at the test vehicle, the distances from which the shots were fired, and the effects of such shots.

(2) A description and justification for the measures of merit and the pass/fail criterion used in the testing program.

(3) A justification for exempting from the testing program any overmatch or undermatch weapon which would likely be encountered in combat conditions.

(4) Potential problems that were revealed by the tests and a proposed design modification for remedying such problems.

(5) The estimated unit cost of each proposed survivability modification and the overall program cost for the modifications.

(6) A comparison of the estimated unit cost of the Bradley Fighting Vehicle in both the configuration used in phase 1 of the testing program and the configuration in phase 2 of the testing program.

(d) **DATE FOR SUBMISSION OF REPORTS.**—The reports required by this section shall be submitted as follows:

(1) The report regarding the results of phase 1 of the testing program shall be submitted by December 1, 1985.

(2) The report regarding the results of phase 2 of the testing program shall be submitted by June 1, 1986.

SEC. 123. CONDITIONS ON PROCUREMENT OF CERTAIN COMBAT VEHICLES

(a) **TESTING REQUIREMENTS.**—(1) Chapter 139 of title 10, United States Code, is amended by adding at the end thereof the following new section:

“§ 2362. Testing requirements: wheeled or tracked armored vehicles

10 USC 2362.

“(a) The Secretary of Defense shall provide that a contract for procurement by the Department of Defense under a major vehicle program may not be entered into unless the testing carried out

Contract.

during the development of the vehicle meets the requirements of subsection (b).

“(b) The testing of a vehicle referred to in subsection (a) shall include testing of the vulnerability of such vehicle to the most capable weapon that is likely to be a combat threat to the vehicle and against which the vehicle is designed to survive. Such tests—

“(1) shall be carried out in a manner modeled after the Joint Live-Fire Test Program for the Bradley Fighting Vehicle; and

“(2) if the test vehicle is to replace an existing vehicle, shall at least include test shots fired under the same conditions at both the test vehicle and the vehicle it is to replace, with each vehicle being equipped with all of the elements with which the vehicle would be equipped in combat.

Report.

“(c)(1) The Secretary of Defense shall submit to the defense committees a report with respect to the testing of each vehicle for which testing is required under this section.

“(2) A report under paragraph (1)—

“(A) shall be submitted in both a classified and unclassified form;

“(B) shall be submitted with the first request to Congress for appropriations for procurement—

“(i) of the vehicle; or

“(ii) of modifications to an existing vehicle.

“(3) Each such report shall include—

“(A) a complete description of the firing parameters used in the testing and an analysis of the effect on the vehicle of each test shot made;

“(B) a description and justification of the merit and pass/fail criterion used in carrying out the test;

“(C) a description of the potential shortcomings of the vehicle that were revealed by the testing and (if any were revealed) the plan of the Secretary to incorporate into the design of the vehicle changes that are considered cost effective and that are necessary to overcome such shortcomings; and

“(D) if the test vehicle is to replace an existing vehicle, a comparison—

“(i) of the estimated unit cost of each newly developed vehicle (or of the newly developed survivability modifications being made to an existing vehicle); with

“(ii) the unit cost of the vehicle that is to be replaced by the test vehicle.

“(d) The Secretary of Defense shall include in the Department of Defense plan referred to as the Test and Evaluation Master Plan that is established for any major vehicle program an estimated cost and schedule of the testing to be carried out with respect to the program.

“(e) In this section:

“(1) ‘Major vehicle program’ means a major defense acquisition program for the acquisition of—

“(A) a newly developed combat wheeled or tracked armored vehicle; or

“(B) a combat wheeled or tracked armored vehicle with significant newly developed survivability modifications.

“(2) ‘Major defense acquisition program’ means a program subject to the Selected Acquisition Report requirements of section 139a of this title.

“(3) ‘Defense committees’ means the Committees on Armed Services and on Appropriations of the Senate and House of Representatives.”

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

“2362. Testing requirements: wheeled or tracked armored vehicles.”

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on January 1, 1987. 10 USC 2362 note.

SEC. 124. SALE OF L119 HOWITZERS OVERSEAS

(a) **LIMITATION ON SALE TO FOREIGN GOVERNMENTS.**—Howitzers designated as L119 howitzers that are produced by a United States arsenal may be sold to a friendly foreign government only if not less than 30 percent of the dollar value of such howitzers is produced in the United Kingdom, as follows: United Kingdom.

(1) Five percent of the dollar value consists of basic issue items.

(2) Ten percent of the dollar value consists of fire control items.

(3) Fifteen percent of the dollar value consists of commercial items.

(b) **PERIOD OF APPLICABILITY.**—Subsection (a) applies only during the period of coproduction of the L119 howitzer, as determined jointly by the United States and the United Kingdom.

SEC. 125. RESTRICTIONS ON PURCHASE OF 5-TON TRUCKS

(a) **TESTING OF COMPETING ENGINES BEFORE CONTRACT AWARD.**—

(1) Except as provided in subsection (b), the Secretary of the Army may not enter into a new contract for the procurement of 5-ton trucks for the Army until the Secretary certifies to the Committees on Armed Services of the Senate and House of Representatives that each truck engine described in paragraph (2) has been tested as provided in paragraph (3).

(2) The truck engines referred to in paragraph (1) are engines that—

(A) meet the specifications of the Army for engines for 5-ton trucks; and

(B) are commercially available from sources competing for the award of a contract for the supply of engines to the Army for the 5-ton trucks that are to be procured under a multiyear contract that is to succeed the multiyear contract referred to in subsection (b).

(3) The testing referred to in paragraph (1) shall be carried out in 5-ton trucks configured in the M939 validated technical data package of the Army and shall include tests to determine—

(A) whether the engine is durable after testing in a mission profile for at least 20,000 miles; and

(B) whether the performance reliability of the engine for high ambient temperature cooling, cold starting, deep water fording, grade climbing, and noise is acceptable.

(b) **AUTHORITY FOR EXTENSION OF EXISTING MULTIYEAR CONTRACT.**—(1) The Secretary of the Army may extend for a period not to exceed 18 months the multiyear contract for the procurement of 5-ton trucks that is in effect on the date of the enactment of this Act.

(2) Funds available to the Army for the procurement of 5-ton trucks during fiscal year 1985 and funds appropriated for the

procurement of 5-ton trucks for the Army for fiscal year 1986 may be used for the procurement of 5-ton trucks under an extension of the contract referred to in paragraph (1).

(c) **NEW MULTIYEAR CONTRACT.**—(1) Subject to paragraph (2), the Secretary of the Army shall take such action as is appropriate, consistent with the limitation set out in subsection (a), to award a multiyear contract for the procurement of 5-ton trucks not later than May 1, 1986. Such a contract shall be for a period of five fiscal years. A contract under this paragraph may only be entered into in accordance with section 2306(h) of title 10, United States Code.

(2) A contract under paragraph (1) may not be entered into unless the anticipated cost over the period of the contract is no more than 90 percent of the anticipated cost of carrying out the same program through annual contracts.

(3) Not later than February 1, 1986, the Secretary shall determine whether it is impracticable to award a contract under paragraph (1) on or before May 1, 1986. If the Secretary determines that such action is impracticable, he shall notify the Committees on Armed Services of the Senate and the House of Representatives of the determination on or before February 1, 1986.

SEC. 126. OTHER ARMY PROGRAMS

Ante, p. 590.

(a) **COPPERHEAD PROJECTILE PROGRAM.**—Of the amount authorized in section 101 for procurement of ammunition, \$235,000,000 is authorized for the Copperhead projectile. Not more than \$200,000,000 may be obligated or expended for that projectile from funds appropriated or otherwise made available to the Army for fiscal year 1986, after the date of the enactment of this Act, until the Secretary of Defense submits to Congress a written plan to establish a second production source for the Copperhead projectile.

(b) **SAFETY MODIFICATIONS FOR PERSHING II MISSILE PROGRAM.**—(1) In carrying out the Pershing II missile program for fiscal year 1986, the Secretary of the Army may purchase safety modifications (including 36 inert missile motors for the Pershing II missile) using funds made available for such program for such fiscal year.

(2) The Secretary may not obligate any funds for the safety modifications authorized by paragraph (1) until the Secretary submits to the Committees on Armed Services of the Senate and House of Representatives a report providing a detailed plan for the purchase of such safety modifications.

(c) **AH-64 APACHE HELICOPTERS.**—The Secretary of the Army may not obligate funds appropriated or otherwise made available for a fiscal year after fiscal year 1985 for procurement of AH-64 Apache attack helicopters until the Director of the Defense Contract Audit Agency reports to the Secretary that the contractor for such helicopters has demonstrated to the satisfaction of the Director—

(1) that the contractor has implemented an effective and reliable system of internal accounting controls; and

(2) that the contractor has accumulated documentation (including journals, vouchers, invoices, and expense data) to support the contractor's final submission for settlement of indirect expenses for calendar years 1979 through 1983 and that such documentation is available to the Director.

PART C—NAVY PROGRAM LIMITATIONS

SEC. 131. A6 AIRCRAFT REWING PROGRAM

(a) **AUTHORIZED PROGRAM.**—The Secretary of the Navy is authorized to carry out a program to replace the wings of the A6 aircraft. The amount obligated to carry out such program during fiscal year 1985 may not exceed \$240,000,000.

(b) **REQUIRED WARRANTY.**—Funds may be obligated for the program authorized by subsection (a) only under a firm fixed-price contract which includes a warranty guaranteeing a wing fatigue life of at least 8,800 hours.

(c) **AUTHORIZATION FOR TRANSFER OF FUNDS.**—There are hereby authorized to be transferred to, and merged with, amounts appropriated for procurement for aircraft for the Navy for fiscal year 1985, to the extent provided in appropriation Acts, \$240,000,000 for the program authorized by subsection (a). Such amount shall be derived from amounts appropriated for procurement of aircraft for the Navy for fiscal years before fiscal year 1986 as follows:

(1) \$103,000,000 shall be derived from amounts appropriated for fiscal years before fiscal year 1985 remaining available for obligation.

(2) \$137,000,000 shall be derived from amounts appropriated for fiscal year 1985 remaining available for obligation.

SEC. 132. LIMITATIONS ON NAVY AIRCRAFT PROCUREMENT

Funds appropriated for fiscal year 1986 for aircraft for the Navy—

(1) may not be obligated for procurement of A6E aircraft until the Secretary of the Navy certifies to the Committees on Armed Services of the Senate and House of Representatives that the wing for the A6E aircraft to be procured is warranted for at least a 4,000-hour test-equivalent fatigue life; and

(2) may be obligated for procurement of F14 aircraft only for aircraft that are configured so as to incorporate the F110 engine.

PART D—AIR FORCE PROGRAM LIMITATIONS

SEC. 141. MX MISSILE PROGRAM

(a) **LIMITATIONS ON FY86 MX PROGRAM.**—(1) Not more than 12 MX missiles may be procured with funds appropriated or otherwise made available in an appropriation law for fiscal year 1986 for the procurement of missiles for the Air Force.

(2) Of the funds appropriated or otherwise made available in an appropriation law for fiscal year 1986 for the procurement of missiles for the Air Force—

(A) \$1,746,000,000 shall be available only for the procurement of 12 MX missiles and related weapons system and support costs; and

(B) \$105,000,000 shall be available only for the procurement of initial spares for the MX missile program.

(b) **LIMITATIONS ON DEPLOYMENT AND BASING OF MX MISSILES.**—(1) The number of MX missiles deployed at any time in existing Minuteman silos may not exceed 50.

(2) Funds appropriated pursuant to this or any other Act may not be used—

- (A) to modify, or prepare for modification, more than 50 existing Minuteman silos for the deployment of MX missiles;
- (B) to acquire basing sets to modify more than 50 existing Minuteman silos for the deployment of MX missiles; or
- (C) to procure long-lead items for the deployment of more than 50 MX missiles.

(c) **ADDITIONAL LIMITATIONS ON THE DEPLOYMENT AND BASING OF MX MISSILES.**—Unless a basing mode for the MX missile other than existing Minuteman silos is specifically authorized by legislation enacted after the date of the enactment of this Act, after procurement of 50 MX missiles for deployment in existing Minuteman silos—

- (1) further procurement of MX missiles shall be limited to those missiles necessary to support the operational test program and for the MX missile reliability testing program; and
- (2) during fiscal year 1987, depending upon the most efficient production rate, from 12 to 21 MX missiles should be procured for such purposes.

SEC. 142. COMPETITION FOR AIR FORCE FIGHTER AIRCRAFT PROCUREMENT

(a) **REQUIRED COMPETITION.**—The Secretary of the Air Force shall establish during fiscal year 1986 a competition for the procurement of fighter aircraft to meet the requirements of the active and reserve forces of the Air Force. Such competition shall be among all suitable aircraft.

(b) **COMPLIANCE WITH APPLICABLE LAW.**—Procurement of tactical fighter aircraft for the Air Force for fiscal year 1986 shall be carried out in accordance with all applicable provisions of law, including section 136a (relating to the Director of Operational Test and Evaluation), section 139c (relating to independent cost estimates), and chapter 137 (relating to competition in contracting), of title 10, United States Code.

SEC. 143. ADVANCED TECHNOLOGY BOMBER

(a) **REPORT ON TOTAL PROGRAM COST.**—Not later than February 1, 1986, the Secretary of Defense shall transmit to Congress a report setting forth the total program cost for the advanced technology bomber program. The Secretary shall include in the report the Secretary's evaluation of the reliability of the cost estimates for the program.

(b) **LIMITATION ON EXPENDITURE OF PROCUREMENT FUNDS.**—No funds appropriated pursuant to the authorizations of appropriations in this title may be obligated or expended for the advanced technology bomber program until the report required by subsection (a) is transmitted to Congress.

SEC. 144. SPECIAL OPERATIONS FORCES HH-53 HELICOPTERS

(a) **AIR FORCE AIRCRAFT FUNDS.**—Of the amount authorized in section 103(a) for procurement of aircraft for the Air Force, \$50,000,000 is available only for modification of HH-53 helicopters to the PAVE LOW mission configuration.

(b) **CERTIFICATION REQUIREMENT.**—None of the amount described in subsection (a) may be obligated or expended until the Secretary of the Air Force certifies that sufficient funds have been budgeted in the fiscal year 1987 five-year defense plan to meet, at the earliest practicable date, and sustain the highest readiness level prescribed

98 Stat. 1185.
10 USC 2301 *et*
seq.

Ante, p. 595.

for all PAVE LOW HH-53 helicopters in the Joint Chiefs of Staff Unit Status Report System.

PART E—OTHER LIMITATIONS

SEC. 151. C-12 AIRCRAFT

None of the funds appropriated pursuant to authorizations in this title may be obligated or expended for procurement of C-12 aircraft unless such aircraft are procured through competitive procedures (as defined in section 2302(2) of title 10, United States Code), which shall be restricted to turboprop aircraft.

98 Stat. 1186,
3087.

SEC. 152. ADEQUATE AIRLIFT FOR SPECIAL OPERATIONS FORCES

None of the funds appropriated pursuant to authorizations in this title may be obligated or expended for the procurement of MC-130 aircraft or the modification of HH-53 or CH-47 helicopters until the Secretary of Defense—

(1) submits, in consultation with the Chairman of the Joint Chiefs, to the Committees on Armed Services of the Senate and House of Representatives a plan for meeting the immediate airlift requirements of the Joint Special Operations Command and a second plan for meeting, by 1991, the airlift requirements of the Joint Special Operations Command and the special operations forces of unified commanders-in-chief; and

(2) certifies that the plans required by paragraph (1) are funded in the Fiscal Year 1987 Five-Year Defense Plan.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

PART A—AUTHORIZATIONS OF APPROPRIATIONS AND PROGRAM LIMITATIONS

SEC. 201. AUTHORIZATION OF APPROPRIATIONS

(a) **IN GENERAL.**—Funds are hereby authorized to be appropriated for fiscal year 1986 for the use of the Armed Forces for research, development, test, and evaluation in amounts as follows:

(1) For the Army, \$4,848,663,000.

(2) For the Navy (including the Marine Corps), \$10,106,401,000.

(3) For the Air Force, \$13,719,721,000.

(4) For the Defense Agencies, \$6,813,969,000 of which \$93,500,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

(b) **GENERAL AUTHORIZATION FOR CIVILIAN PAY CONTINGENCIES.**—There are authorized to be appropriated for fiscal year 1986, in addition to the amounts authorized to be appropriated in subsection (a), such sums as may be necessary for unbudgeted amounts for salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in subsection (a).

SEC. 202. REDUCTIONS IN AUTHORIZATIONS DUE TO SAVINGS FROM LOWER INFLATION AND PRIOR-YEAR COST SAVINGS

(a) **CERTAIN FY86 AUTHORIZATION REDUCTIONS TO BE FROM COST SAVINGS.**—Authorization reductions described in subsection (b)—

(1) may not be derived through cancellation of any authorized program or any other change in an authorized program; but

(2) may be derived only through cost reductions (including reductions due to the rate of inflation being lower than the rate assumed in the President's budget for fiscal year 1986) in programs of the Department of Defense under this title that are achieved without a reduction in the quantity or quality of goods or services acquired by the Department.

(b) **IDENTIFICATION OF AMOUNTS.**—Subsection (a) applies to the following amounts that represent reductions from amounts requested in the President's Budget for fiscal year 1986 and that have been incorporated into the amounts authorized in section 201:

(1) For the Army, \$4,000,000.

(2) For the Navy (including the Marine Corps), \$11,000,000.

(3) For the Air Force, \$14,000,000.

Ante, p. 605.

SEC. 203. AUTHORIZATION OF TRANSFERS OF PRIOR-YEAR FUNDS

(a) **AUTHORIZED TRANSFERS.**—There are hereby authorized to be transferred to, and merged with, amounts appropriated for research, development, test, and evaluation for the Armed Forces pursuant to the authorizations of appropriations in section 201 the following amounts:

Ante, p. 605.

(1) **ARMY.**—\$85,000,000, to be derived from amounts appropriated for fiscal year 1985 for research, development, test, and evaluation for the Army.

(2) **NAVY.**—\$183,000,000, to be derived from amounts appropriated for fiscal year 1985 for research, development, test, and evaluation for the Navy (including the Marine Corps).

(3) **AIR FORCE.**—\$256,000,000, to be derived from amounts appropriated for fiscal year 1985 for research, development, test, and evaluation for the Air Force.

(4) **DEFENSE AGENCIES.**—\$47,000,000, to be derived from amounts appropriated for fiscal year 1985 for research, development, test, and evaluation for the Defense Agencies.

(b) **AUTHORIZATION OF TRANSFERS SUBJECT TO PROVISIONS OF APPROPRIATIONS ACTS.**—Transfers authorized by subsection (a) may be made only to the extent provided in appropriation Acts.

(c) **SOURCE OF TRANSFERRED FUNDS.**—(1) All amounts transferred under this section shall be derived from funds that remain available for obligation.

(2) Such funds—

(A) may not be derived through cancellation of any program, stretchout of procurement under any program, or any other program change; but

(B) may be derived only through cost reductions (including reductions due to rates of inflation being lower than rates assumed when such funds were budgeted) under programs for which such funds were authorized and appropriated that are achieved without a reduction in the quantity or quality of goods or services acquired by the Department of Defense.

(d) **REPORT ON REDUCTIONS AND TRANSFERS.**—The Secretary of Defense may not implement a program change under a reduction described in section 202 or under a transfer under this section until

Supra.

the Secretary submits to the Committees on Armed Services of the Senate and House of Representatives a report describing the programs in which such reductions will be made in accordance with section 202 and the programs that are the source of the funds transferred under this section.

Ante, p. 606.

SEC. 204. LIMITATIONS ON FUNDS FOR THE ARMY

(a) **IN GENERAL.**—Of the amount authorized in section 201 for the Army—

Ante, p. 605.

(1) \$52,836,000 is available only for the Missile/Rocket Components program, of which—

(A) \$10,000,000 is available only for the development of the Fiber Optics Guided Missile; and

(B) \$10,000,000 is available only for development of the Hypervelocity Missile;

(2) \$23,583,000 is available only for the Stinger Missile program;

(3) \$18,898,000 is available only for the M1 E1 Tank Development program, of which \$15,000,000 is available only for a fuel-efficient modification for the AGT-1500 tank engine;

(4) \$20,000,000 is available only for the development, test integration, and evaluation of the Hellfire Missile for the Blackhawk helicopter; and

(5) \$42,000,000 is available only for the Software Initiative (STARS) program.

(b) **REPORT.**—Not later than December 15, 1985, the Secretary of the Army shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report delineating a program plan for the fuel-efficient modification for the AGT-1500 transverse-mounted tank engine and for the Advanced Integrated Propulsion system. Such plan shall include the total system cost and system milestones for such programs.

SEC. 205. LIMITATIONS ON FUNDS FOR THE NAVY (INCLUDING THE MARINE CORPS)

(a) **IN GENERAL.**—Of the amount authorized in section 201 for the Navy (including the Marine Corps)—

Ante, p. 605.

(1) \$17,500,000 is available only for the Low-Cost Anti-Radiation Seeker program;

(2) \$4,464,000 is available only for the Advanced Mine Development program;

(3) \$5,900,000 is available only for the Naval Oceanography program;

(4) \$12,000,000 is available only for the Battlegroup Quick Reaction Surveillance System program;

(5) \$4,000,000 is available only for unique Wallops Island Test Range activity;

(6) \$10,000,000 is available only for the Skipper/Practice Bomb program;

(7) \$1,500,000 is available only for a classified sensor development program; and

(8) \$2,500,000 is available only to establish a second source for the competitive procurement of the Navy Five-Inch and Army 155-Millimeter Guided Projectile systems.

(b) **REPORT.**—Not later than December 15, 1985, the Secretary of the Navy shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report delineating a

program plan for the Low-Cost Anti-Radiation Seeker Program. Such plan shall include the total system cost and system milestones for such program.

Ante, p. 605.

(c) **SSN-21 COMBAT SYSTEM ADVANCED AND ENGINEERING PROGRAMS.**—(1) Of the amount authorized in section 201 for the Navy, \$200,000,000 is available only for the SSN-21 Combat System Advanced and Engineering program. None of such amount may be obligated or expended for the Submarine Advanced Combat System (SUBACS) program unless the Secretary of the Navy submits to the Committees on Armed Services of the Senate and House of Representatives written certification that—

Contract.

(A) the Secretary has initiated action to negotiate and sign prior to February 1, 1986, a modification to the full-scale engineering development contract which would provide for—

- (i) a cost ceiling for such development with no liability of the United States for cost growth above such ceiling; and
- (ii) penalties for late delivery of equipment and failure to meet performance criteria;

(B) before completion of full-scale engineering development for the SUBACS Basic system under such program, such contractor will provide to the United States a complete technical data package—

- (i) at no additional cost to the Government;
- (ii) containing no manufacturing or proprietary data rights; and
- (iii) of such quality as to allow production of such system by a second source;

(C) the Secretary has begun action to provide, to the maximum extent possible, competition for procurement of components for production of the SUBACS Basic system; and

(D) the Secretary has begun action to establish competition in development and production of the follow-on systems to the SUBACS Basic system.

(2) During the period of any negotiations for a contract modification referred to in paragraph (1)(A), the monthly rate of expenditure for the SUBACS program may not exceed the rate of expenditure for such program.

(3) The Secretary shall also provide, within the amount of funds provided for the SSN-21 Combat System Advanced Engineering Program, that one or more firms that are potential competitors for the attack submarine combat system for fiscal year 1989 be established as associate contractors for the SUBACS Basic program with full access to all SUBACS development information.

(4) If the Secretary determines that it is not possible to make a certification under paragraph (1), the Secretary may obligate and expend funds necessary to develop an advanced combat system (other than SUBACS) for the SSN-21 submarine and other applicable platforms.

Contract.

(d) **ROLLING AIRFRAME MISSILE PROGRAM.**—Funds appropriated for fiscal year 1986 for research, development, test, and evaluation for the Navy may not be obligated for the Rolling Airframe Missile program or the NATO Sea Sparrow program unless the Secretary of the Navy certifies to the Committees on Armed Services of the Senate and House of Representatives that—

- (1) the Secretary has entered into a firm fixed-price production contract for the Rolling Airframe Missile program;

(2) such contract includes options of the United States for procurement under such program for fiscal years after fiscal year 1986 with maximum prices established for such options; and

(3) the contractor for such contract has provided a complete data package to the Navy—

(A) at no additional cost to the United States; and

(B) containing no manufacturing or proprietary data rights of the contractor.

(e) **ACQUISITION OF ANTI-SUBMARINE WARFARE TRAINING SYSTEMS.**—The Secretary of the Navy shall initiate a competitive procurement of three service test models of the LAMPS Mark I anti-submarine warfare shipboard training system for the Naval Reserve during fiscal year 1986. Of the funds appropriated pursuant to the authorizations of appropriations in section 201(a)(2), \$6,800,000 may not be obligated before such test models are procured.

SEC. 206. LIMITATIONS ON FUNDS FOR THE AIR FORCE

Of the amount authorized in section 201 for the Air Force—

Ante, p. 605.

(1) \$60,000,000 is available only for research, development, test, and evaluation for the Integrated Electronic Warfare system (INEWS) and the Integrated Communication, Navigation, Identification Avionics (ICNIA) system;

(2) \$22,000,000 is available only for the research, development, test, and evaluation to modify the F-4 aircraft to satisfy the Air Force air defense mission;

(3) \$19,570,000 is available only for a classified reconnaissance system;

(4) \$211,276,000 is available only for the Very High Speed Integrated Circuits (VHSIC) program;

(5) \$15,000,000 is available only for the Pave Tiger system; and

(6) \$11,742,000 is available only for the Software Engineering Institute.

SEC. 207. LIMITATIONS ON FUNDS FOR THE DEFENSE AGENCIES

(a) **IN GENERAL.**—Of the amount authorized in section 201 for the Defense Agencies—

Ante, p. 605.

(1) \$300,000,000 is available only for the Joint Advanced Systems program;

(2) \$81,250,000 is available only for the University Research Initiative program, of which \$1,000,000 is available only for computer and related research at Syracuse University, Syracuse, New York;

(3) \$1,000,000 is available for use by the Defense Logistics Agency to conduct a demonstration of advanced clothing manufacturing technology and to procure and field test military clothing produced using advanced manufacturing techniques;

(4) \$500,000 is available only for use by the Defense Logistics Agency for the Military Sewn Products Automation Program (MILSPA); and

(5) \$142,000,000 is available only for the Strategic Computing Initiative.

(b) **LIMITATION OF FUNDS FOR THE JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS).**—Of the amount authorized in section 201 for the Defense Agencies, \$200,000,000 is available only for research and development of a common Joint Tactical Information Distribution System (JTIDS) program. None of such amount may be

Report. obligated or expended until the Secretary of Defense selects a single JTIDS program to meet the operational requirements of both the Navy and the Air Force. If the Secretary of Defense determines that such a selection is not feasible or is not practicable, the Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a report in writing setting forth the specific reasons for not proceeding with a common JTIDS program. The Secretary may not obligate or expend funds for the development or procurement of separate JTIDS programs for the Navy and Air Force until seven days of continuous session of Congress have expired following the date on which such report was submitted. For purposes of the preceding sentence, continuity of a session of Congress is determined as provided in section 7307(b)(2) of title 10, United States Code.

10 USC 139
note.

SEC. 208. TESTING OF ANTISATELLITE WEAPONS AND SPACE SURVIVABILITY PROGRAM

Prohibitions.

(a) **REQUIREMENT REGARDING THE USE OF FUNDS.**—None of the funds appropriated pursuant to an authorization in this or any other Act may be obligated or expended to test against an object in space the miniature homing vehicle (MHV) anti-satellite warhead launched from an F-15 aircraft unless the President has made a determination and a certification to the Congress as provided in section 8100 of the Department of Defense Appropriations Act, 1985 (as contained in section 101(h) of Public Law 98-473 (98 Stat. 1941)).

(b) **LIMITATION ON NUMBER OF TESTS.**—Not more than three tests described in subsection (a) may be conducted before October 1, 1986.

Ante, p. 605.

(c) **FUNDING FOR AIR FORCE SPACE SURVIVABILITY PROGRAM.**—Of the amount authorized to be appropriated for the Air Force in section 201, \$15,000,000 is available only for the satellite survivability project of the Air Force Space Survivability Program.

SEC. 209. SMALL INTERCONTINENTAL BALLISTIC MISSILE PROGRAM

Ante, p. 605.

(a) **AMOUNT AUTHORIZED FOR FY86.**—Of the amount authorized in section 201 for the Air Force, \$724,500,000 is available only for research, development, test, and evaluation carried out with respect to the small mobile intercontinental ballistic missile within the intercontinental ballistic missile modernization program.

(b) **MAINTENANCE OF PRIORITY FOR SMALL MOBILE ICBM PROGRAM.**—The Secretary of Defense shall continue to carry out the program to develop a small mobile intercontinental ballistic missile, and to provide for the allocation of defense industrial resources for that program, in accordance with the priority for that program (known as “Brick-Bat”) in effect on June 1, 1985, under the system provided by existing laws and regulations for determining relative program precedence for assignment of production resources.

Report.

(c) **PROCEDURES REQUIRED BEFORE DECISIONS ON FULL-SCALE DEVELOPMENT AND BASING SITE SELECTION FOR SMALL ICBM.**—(1) Before any decision may be made by the President or the Secretary of Defense with regard to the full-scale development of a small intercontinental ballistic missile or the selection of basing areas for the deployment of such missile, the Secretary of the Air Force shall prepare and submit to the appropriate committees of Congress a legislative environmental impact statement with respect to such development and such selection. In making any such decision, the President and the Secretary of Defense shall take into consideration the findings and conclusions contained in any such report.

(2) The legislative environmental impact statement required by paragraph (1) shall be prepared in accordance with the requirements applicable to such statements prepared under section 1506.8 of title 40 of the Code of Federal Regulations (as in effect on May 16, 1985).

(3) A legislative environmental impact statement prepared and submitted to the appropriate committees pursuant to paragraph (1) shall be deemed to meet all the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to all aspects of the full-scale development of a small intercontinental ballistic missile and the selection of basing areas for the deployment of such missile.

(4) Preparation of a legislative environmental impact statement pursuant to paragraph (1) shall not relieve the Secretary of Defense from any obligation for the subsequent preparation of administrative environmental impact statements with respect to the environmental impact on specifically selected sites within the chosen areas for the deployment and peacetime operation of small intercontinental ballistic missiles.

SEC. 210. ADVANCED MEDIUM-RANGE AIR-TO-AIR MISSILE (AMRAAM) SYSTEM

(a) **LIMITATION ON FUNDING.**—(1) Of the amount authorized in section 201 for the Air Force, \$101,382,000 is available for the Advanced Medium-Range Air-to-Air Missile (AMRAAM) program.

Ante, p. 605.

(2) Of the amount appropriated pursuant to the authorization in section 201 for the Air Force, \$54,382,000 may not be obligated or expended until the Secretary of Defense submits to the Committees on Armed Services of the Senate and House of Representatives a certification as described in subsection (b).

(b) **CERTIFICATION.**—A certification under subsection (a) shall be in writing and shall include confirmation by the Secretary of the following:

(1) That (A) the design of the AMRAAM system has been completed, (B) system performance has not been degraded from the original development specification (DS 32050-000, as amended by the draft Development Concept Paper (DCP) of June 14, 1985), and (C) the flight test program has been revised to incorporate the maximum practicable number of selected changes in the design of the AMRAAM system that reduce the costs of the system and that are qualified and flight tested before production.

(2) That a fixed-price type contract for an amount not more than \$556,580,480 has been entered into with the development contractor for research, development, test, and evaluation for such program.

(3) That the total production cost for the program, for a minimum of 17,000 missiles, will not exceed \$5,200,000,000 (in fiscal year 1984 dollars) and that the missiles procured will perform in accordance with the development specification referred to in paragraph (1).

(c) **NONCERTIFICATION.**—If the Secretary of Defense cannot make a certification under subsection (a) by March 1, 1986, the AMRAAM program shall be terminated as of that date with no subsequent Government liability.

SEC. 211. HIGH-SPEED ANTI-RADIATION MISSILE (HARM) PROGRAM

Report.
Ante, p. 605.

(a) **LIMITATION ON NAVY FUNDING.**—Of the amount appropriated pursuant to the authorization in section 201 for the Navy (including the Marine Corps), \$100,000,000 may not be obligated or expended until the Secretary of the Navy submits to Congress a certification as described in subsection (c) or a report as described in subsection (d).

Report.
Ante, p. 605.

(b) **LIMITATION ON AIR FORCE FUNDING.**—Of the amount appropriated pursuant to the authorization in section 201 for the Air Force, \$50,000,000 may not be obligated or expended until the Secretary of the Air Force submits to Congress a certification as described in subsection (c) or a report as described in subsection (d).

(c) **CERTIFICATION.**—A certification under subsection (a) or (b) shall be in writing and shall include a certification by the Secretary concerned of the following:

(1) That the test and evaluation of the High-Speed Anti-Radiation Missile (HARM) shows conclusively that the missile system meets all performance specifications and objectives delineated in the HARM weapon system specification—AS 3400 Revision A, dated August 6, 1982.

(2) That a current production missile has been disassembled and that there is complete correlation with such missile and the current technical-data package (including the engineering drawings and software) and that HARM production missiles are being constructed to these drawings.

(3) That the HARM missile system is capable of engaging the intended threat as approved by the Director of Central Intelligence.

(4) That the program to develop the HARM low-cost seeker is structured to meet an intended Initial Operational Capability (IOC) date during 1991.

(d) **REPORT ON DEFICIENCIES.**—(1) If the Secretary of the Navy cannot make a certification under subsection (c) because of deficiencies in the HARM system, then the Secretary may obligate and expend funds without regard to the limitation in subsection (a) after submitting to Congress a written report described in paragraph (3).

(2) If the Secretary of the Air Force cannot make a certification under subsection (c) because of deficiencies in the HARM system, then the Secretary may obligate and expend funds without regard to the limitation in subsection (b) after submitting to Congress a written report described in paragraph (3).

(3) A report under paragraph (1) or (2) shall include—

(A) a detailed list of the deficiencies in the HARM system; and

(B) a plan to correct such deficiencies, including milestones and required levels of funding, and a request to Congress to reprogram funds for the purpose of correcting such deficiencies.

(e) **PROHIBITION ON EXPENDITURES TO CORRECT SPECIFIED DEFICIENCIES.**—The Secretary of the Navy and the Secretary of the Air Force may not obligate or expend any funds to correct deficiencies in the HARM system in order to meet the weapons system performance specifications described in subsection (c)(1).

PART B—STRATEGIC DEFENSE INITIATIVE

SEC. 221. FUNDING FOR FISCAL YEAR 1986

Of the amount authorized in section 201 for the Defense Agencies, \$2,750,000,000 is available for the Strategic Defense Initiative, of which \$12,500,000 is available only for the medical application of free-electron lasers and associated material and physical science research.

Ante, p. 605.

SEC. 222. REQUIREMENT FOR SPECIFIC AUTHORIZATION FOR DEPLOYMENT OF STRATEGIC DEFENSE INITIATIVE SYSTEM

10 USC 139 note.

A strategic defense system developed as a consequence of research, development, test, and evaluation conducted on the Strategic Defense Initiative program may not be deployed in whole or in part unless—

(1) the President determines and certifies to Congress in writing that—

(A) the system is survivable (that is, the system is able to maintain a sufficient degree of effectiveness to fulfill its mission, even in the face of determined attacks against it); and

(B) the system is cost effective at the margin to the extent that the system is able to maintain its effectiveness against the offense at less cost than it would take to develop offensive countermeasures and proliferate the ballistic missiles necessary to overcome it; and

(2) funding for the deployment of such system has been specifically authorized by legislation enacted after the date on which the President makes the certification to Congress.

SEC. 223. REPORTS ON STRATEGIC DEFENSE INITIATIVE

(a) REPORT ON POTENTIAL RESPONSES TO SDI AND ON RDT&E COSTS.—(1) The Secretary of Defense shall submit to Congress a report as to—

(A) what probable responses can be expected from potential enemies should the Strategic Defense Initiative programs be carried out to procurement and deployment, such as what increase may be anticipated in offensive enemy weapons in an enemy's attempt to penetrate the defensive shield by increasing the numbers or qualities of its offensive weapons;

(B) what can be expected from potential enemies in the deployment of weapons not endangered by the Strategic Defense Initiative, such as cruise missiles and low trajectory submarine missiles;

(C) the degree of the dependency of success for the Strategic Defense Initiative upon a potential enemy's anti-satellite weapons capability; and

(D) the cost estimates for the research, development, test, and evaluation for the proposed Strategic Defense Initiative.

(2) The report required by paragraph (1) shall be submitted to Congress with the request of the Secretary of Defense for appropriations for the Strategic Defense Initiative for fiscal year 1987.

(b) REPORT ON PROCUREMENT AND DEPLOYMENT COSTS.—The Secretary of Defense shall submit to Congress a report on the cost estimates for procurement and deployment of Strategic Defense Initiative programs. The report shall be submitted as soon as pos-

sible, but not later than submission of the budget request of the Department of Defense for fiscal year 1989.

SEC. 224. CONGRESSIONAL POLICY REGARDING CONSULTATION WITH OTHER MEMBERS OF NATO ON THE STRATEGIC DEFENSE INITIATIVE

(a) **COMMENDATION OF PRESIDENT'S ACTION.**—The Congress commends the President's attempts to initiate cooperation between the United States and other member nations of the North Atlantic Treaty Organization (NATO) on the Strategic Defense Initiative.

(b) **CONSULTATION AND COOPERATION WITH OTHER NATO NATIONS.**—It is the sense of Congress—

(1) that the mutual defense of NATO member nations is strengthened when there is a high degree of consultation and cooperation among member nations; and

President of U.S.

(2) that the President should continue consultations with other member nations of NATO on the Strategic Defense Initiative program and, to the maximum extent feasible and within national security guidelines, keep such member nations informed of the progress, plans, and potential proposals of the United States regarding such program.

SEC. 225. CONGRESSIONAL EXPRESSION ON THE STRATEGIC DEFENSE INITIATIVE AND THE ABM TREATY

(a) **FINDINGS REGARDING ABM TREATY.**—The Congress finds—

23 UST 3435.

(1) that the President's Commission on Strategic Forces declared in its report to the President, dated March 21, 1984, that "One of the most successful arms control agreements is the Anti-Ballistic Missile Treaty of 1972"; and

(2) that the Secretary of State has stated that the "ABM Treaty requires consultations, and the President has explicitly recognized that any ABM-related deployments arising from research into ballistic missile defenses would be a matter for consultations and negotiation between the Parties".

(b) **SENSE OF CONGRESS REGARDING SDI AND THE ABM TREATY.**—It is the sense of Congress—

Union of Soviet Socialist Republics.

(1) that it fully supports the declared policy of the President that a principal objective of the United States in negotiations with the Soviet Union on nuclear and space arms is to reverse the erosion of the Anti-Ballistic Missile Treaty of 1972;

(2) that action by the Congress in approving funds for research on the Strategic Defense Initiative—

(A) does not express or imply an intention on the part of the Congress that the United States should abrogate, violate, or otherwise erode such treaty; and

(B) does not express or imply any determination or commitment on the part of the Congress that the United States develop, test, or deploy ballistic missile strategic defense weaponry that would contravene such treaty; and

(3) that funds appropriated for the Strategic Defense Initiative program should not be used in a manner inconsistent with any of the treaties commonly known as the Limited Test Ban Treaty, the Threshold Test Ban Treaty, the Outer Space Treaty, or the Anti-Ballistic Missile Treaty of 1972.

23 UST 3435.

SEC. 226. REPORT ON STRATEGIC AND THEATER BALLISTIC MISSILE DEFENSES

(a) **REQUIREMENT FOR STUDY.**—The Secretary of Defense shall conduct a study to examine the feasibility and military value of the early application of defenses against ballistic missile attack from the standpoint of—

(1) defending high value United States and allied capabilities abroad; and

(2) defending United States strategic deterrent capabilities.

(b) **MATTERS TO BE INCLUDED IN STUDY.**—The study shall specifically address—

(1) the contribution such defenses could make to deterrence stability;

(2) the adequacy in this regard of existing programs, including in particular the Strategic Defense Initiative; and

(3) the adequacy of the Army's Anti-Tactical Missile (ATM) program for allied defense.

(c) **REPORT ON STUDY.**—The Secretary of Defense shall submit to Congress a report containing the results of such study not later than February 15, 1986.

TITLE III—OPERATION AND MAINTENANCE**SEC. 301. AUTHORIZATION OF APPROPRIATIONS**

(a) **IN GENERAL.**—Funds are hereby authorized to be appropriated for fiscal year 1986 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance in amounts as follows:

For the Army, \$19,177,351,000.

For the Navy, \$24,608,847,000.

For the Marine Corps, \$1,626,700,000.

For the Air Force, \$20,096,089,000.

For the Defense Agencies, \$7,553,333,000.

For the Army Reserve, \$780,100,000.

For the Naval Reserve, \$900,590,000.

For the Marine Corps Reserve, \$57,170,000.

For the Air Force Reserve, \$902,144,000.

For the Army National Guard, \$1,625,780,000.

For the Air National Guard, \$1,806,162,000.

For the National Board for the Promotion of Rifle Practice, \$920,000.

For Defense Claims, \$143,300,000.

For the Court of Military Appeals, \$3,200,000.

(b) **GENERAL AUTHORIZATION FOR CONTINGENCIES.**—There are authorized to be appropriated for fiscal year 1986, in addition to the amounts authorized to be appropriated in subsection (a), such sums as may be necessary—

(1) for unbudgeted increases in fuel costs;

(2) for unbudgeted increases as a result of inflation in the cost of activities authorized by subsection (a); and

(3) for unbudgeted amounts for salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in subsection (a).

(c) **ADDITIONAL AUTHORIZATION FOR ARMY NATIONAL GUARD.**—In addition to the amounts authorized to be appropriated in subsection (a), there are authorized to be appropriated such sums as may be necessary for the Army National Guard for—

- (1) armory operating costs;
- (2) modification or repair of work space for full-time National Guard personnel; and
- (3) partial Federal funding for major repair and renovation of National Guard facilities.

(d) **TRANSFER OF FUNDS.**—Funds are hereby authorized to be transferred, to the extent provided in appropriation Acts, from the Foreign Currency Fluctuations, Defense fund to the operation and maintenance accounts of the military departments in amounts as follows:

- For the Army, \$156,000,000.
- For the Navy, \$156,000,000.
- For the Air Force, \$156,000,000.

SEC. 302. AUTHORIZATION OF APPROPRIATIONS FOR WORKING-CAPITAL FUNDS

Funds are hereby authorized to be appropriated for fiscal year 1986 to provide capital for working-capital funds of the Department of Defense in amounts as follows:

- For the Army Stock Fund, \$393,000,000.
- For the Navy Stock Fund, \$638,500,000.
- For the Marine Corps Stock Fund, \$37,700,000.
- For the Air Force Stock Fund, \$415,900,000.
- For the Defense Stock Fund, \$174,500,000.

SEC. 303. LIMITATION ON THE USE OF O&M FUNDS TO PURCHASE INVESTMENT ITEMS

Funds appropriated for fiscal year 1986 for operation and maintenance of the Department of Defense pursuant to the authorizations of appropriations in section 301 may not be used to purchase any item with a unit cost of \$5,000 or more if purchases of such item during fiscal year 1985 were chargeable to appropriations made to the Department of Defense for procurement.

Ante, p. 615.

SEC. 304. ASSISTANCE FOR THE TENTH INTERNATIONAL PAN AMERICAN GAMES

(a) **AUTHORITY TO PROVIDE SUPPORT SERVICES.**—The Secretary of Defense may—

- (1) provide logistical support and personnel services to the Tenth Pan Am Games;
- (2) lend and provide equipment in support of the Tenth Pan Am Games; and
- (3) provide such other services in support of the Tenth Pan Am Games as the Secretary considers advisable.

(b) **AUTHORIZATION OF APPROPRIATIONS; LIMITATION.**—(1) There is authorized to be appropriated to the Secretary of Defense for fiscal year 1986 an amount not to exceed \$10,000,000 for the purpose of carrying out subsection (a).

(2) Except as provided in paragraph (3), funds may not be obligated for the purpose of carrying out subsection (a) unless specifically appropriated for such purpose.

(3) Paragraph (2) does not apply to funds used for pay and non-travel-related allowances for members of the Armed Forces (other

than pay and allowances of members of the reserve components called or ordered to active duty to provide support for the Tenth Pan Am Games).

(4) The costs for pay and non-travel-related allowances of members of the Armed Forces (other than members of the reserve components called or ordered to active duty to provide support for the Tenth Pan Am Games) may not be charged to appropriations made pursuant to the authorization in paragraph (1).

(c) DEFINITION.—For the purposes of this section, the term “Tenth Pan Am Games” means the Tenth International Pan American Games, to be held at Indianapolis, Indiana, during the period beginning on August 7, 1987, and ending on August 23, 1987.

SEC. 305. AUTHORIZATION OF APPROPRIATIONS FOR TRANSPORTATION OF HUMANITARIAN RELIEF SUPPLIES TO AFGHAN REFUGEES

(a) AUTHORIZATION OF FUNDS.—There is hereby authorized to be appropriated to the Department of Defense for fiscal year 1986 the sum of \$10,000,000 for the purpose of providing transportation for humanitarian relief for persons displaced or who are refugees because of the invasion of Afghanistan by the Soviet Union.

(b) TRANSPORTATION UNDER DIRECTION OF THE SECRETARY OF STATE.—Transportation provided with funds appropriated pursuant to the authorization in this section shall be under the direction of the Secretary of State.

(c) MEANS OF TRANSPORTATION TO BE USED.—Transportation for humanitarian relief provided with funds appropriated pursuant to the authorization in this section shall be by the most economical commercial or military means available, unless the Secretary of State determines that it is in the national interest of the United States to use means other than the most economical available. Such means may include the use of aircraft and personnel of the reserve components of the Armed Forces.

SEC. 306. EXTENSION AND EXPANSION OF AUTHORITY OF THE SECRETARY OF DEFENSE TO TRANSPORT HUMANITARIAN RELIEF SUPPLIES TO CERTAIN COUNTRIES

(a) Section 1540(a) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2637), is amended—

(1) by striking out “fiscal year 1985” and inserting in lieu thereof “fiscal years 1985 and 1986”; and

(2) by striking out “Central America” and inserting in lieu thereof “any area of the world”.

(b) The heading of section 1540 of such Act is amended to read as follows:

“AUTHORIZATION FOR SECRETARY OF DEFENSE TO TRANSPORT HUMANITARIAN RELIEF SUPPLIES TO FOREIGN COUNTRIES”.

SEC. 307. LIMITATIONS CONCERNING AIR NATIONAL GUARD AND AIR FORCE RESERVE FLYING UNITS

Funds appropriated to or for the use of the Secretary of the Air Force may not be used to deactivate or divest of its flying mission any flying unit of the Air National Guard or the Air Force Reserve until—

(1) the Secretary has notified in writing the Committees on Armed Services of the Senate and House of Representatives of the Secretary’s intent to expend funds for such purpose; and

(2) 60 days have elapsed following receipt of that notification.

10 USC 133 note. **SEC. 308. COMMISSARY AND EXCHANGE PRIVILEGES FOR SURVIVORS OF CERTAIN RESERVISTS**

(a) **BENEFITS FOR CERTAIN DEPENDENTS.**—The Secretary of Defense shall prescribe regulations to allow dependents of members of the uniformed services described in subsection (b) to use commissary and exchange stores on the same basis as dependents of members of the uniformed services who die while on active duty for a period of more than 30 days.

(b) **COVERED DEPENDENTS.**—A dependent referred to in subsection (a) is a dependent of a member of a uniformed service who died—

(1) while on active duty, active duty for training, or inactive duty training (regardless of the period of such duty); or

(B) while traveling to or from the place at which the member is to perform, or has performed, active duty, active duty for training, or inactive duty training (regardless of the period of such duty).

(c) **DEFINITION.**—For the purposes of this section, the term “uniformed services” has the meaning given such term in section 101 of title 37, United States Code.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

PART A—ACTIVE FORCES

SEC. 401. AUTHORIZATION OF END STRENGTHS

The Armed Forces are authorized strengths for active-duty personnel as of September 30, 1986, as follows:

- (1) The Army, 780,800.
- (2) The Navy, 581,300.
- (3) The Marine Corps, 198,800.
- (4) The Air Force, 606,470.

SEC. 402. EXTENSION OF QUALITY CONTROL ON ENLISTMENTS INTO THE ARMY

98 Stat. 2516. Effective on October 1, 1985, section 302(a) of the Department of Defense Authorization Act, 1981 (10 U.S.C. 520 note), is amended by striking out “October 1, 1984” and “September 30, 1985” and inserting in lieu thereof “October 1, 1985” and “September 30, 1986”, respectively.

PART B—RESERVE FORCES

10 USC 261 note. **SEC. 411. AUTHORIZATION OF AVERAGE STRENGTHS FOR SELECTED RESERVE**

(a) **IN GENERAL.**—For fiscal year 1986, the Selected Reserve of the reserve components of the Armed Forces shall be programmed to attain average strengths of not less than the following:

- (1) The Army National Guard of the United States, 440,025.
- (2) The Army Reserve, 290,639.
- (3) The Naval Reserve, 134,212.
- (4) The Marine Corps Reserve, 41,900.
- (5) The Air National Guard of the United States, 108,700.
- (6) The Air Force Reserve, 75,600.
- (7) The Coast Guard Reserve, 12,500.

(b) **ADJUSTMENTS.**—The average strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

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

(a) **IN GENERAL.**—Within the average strengths prescribed in section 411, the reserve components of the Armed Forces are authorized, as of September 30, 1986, the following number of Reserves to be serving on full-time active duty or, in the case of members of the National Guard, on full-time National Guard duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components or the National Guard:

Ante, p. 618.

- (1) The Army National Guard of the United States, 23,731.
- (2) The Army Reserve, 12,157.
- (3) The Naval Reserve, 19,010.
- (4) The Marine Corps Reserve, 1,475.
- (5) The Air National Guard of the United States, 7,269.
- (6) The Air Force Reserve, 635.

(b) **AUTHORITY TO INCREASE END-STRENGTH LIMIT.**—Upon a determination by the Secretary of Defense that such action is in the national interest, the end strengths prescribed by subsection (a) may be increased by a total of not more than the number equal to 2 percent of the total end strengths prescribed.

SEC. 413. INCREASE IN NUMBER OF CERTAIN PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY IN SUPPORT OF THE RESERVE COMPONENTS

(a) **SENIOR ENLISTED MEMBERS.**—The table in section 517(b) of title 10, United States Code, is amended to read as follows:

98 Stat. 2517.

"Grade	Army	Navy	Air Force	Marine Corps
E-9.....	517	165	80	9
E-8.....	2,295	381	358	74".

(b) **OFFICERS.**—The table in section 524(a) of such title is amended to read as follows:

98 Stat. 2518.
10 USC 524.

"Grade	Army	Navy	Air Force	Marine Corps
Major or Lieutenant Commander	2,317	850	476	100
Lieutenant Colonel or Commander	1,152	520	318	60
Colonel or Navy Captain.....	348	177	189	25".

10 USC 517 note. (c) **EFFECTIVE DATE.**—The amendments made by subsections (a) and (b) shall take effect on October 1, 1985.

PART C—MILITARY TRAINING

SEC. 421. AUTHORIZATION OF TRAINING STUDENT LOADS

(a) **IN GENERAL.**—For fiscal year 1986, the components of the Armed Forces are authorized average military training student loads as follows:

- (1) The Army, 79,686.
- (2) The Navy, 71,018.
- (3) The Marine Corps, 20,766.
- (4) The Air Force, 43,389.
- (5) The Army National Guard of the United States, 18,886.
- (6) The Army Reserve, 16,985.
- (7) The Naval Reserve, 3,355.
- (8) The Marine Corps Reserve, 3,790.
- (9) The Air National Guard of the United States, 2,751.
- (10) The Air Force Reserve, 2,118.

(b) **ADJUSTMENTS.**—The average military student loads for the Army, the Navy, the Marine Corps, and the Air Force and the reserve components authorized in subsection (a) for fiscal year 1986 shall be adjusted consistent with the personnel strengths authorized in parts A and B. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the reserve components in such manner as the Secretary of Defense shall prescribe.

TITLE V—DEFENSE PERSONNEL POLICY

PART A—CIVILIAN PERSONNEL

SEC. 501. WAIVER OF CIVILIAN PERSONNEL CEILINGS FOR FISCAL YEAR 1986

The provisions of section 138(c)(2) of title 10, United States Code, shall not apply with respect to fiscal year 1986 or with respect to the appropriation of funds for that year.

SEC. 502. PROHIBITION ON MANAGING CIVILIAN PERSONNEL BY END-STRENGTHS DURING FISCAL YEAR 1986

(a) **PROHIBITION.**—During fiscal year 1986, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an "end-strength") on the number of such personnel who may be employed on the last day of such fiscal year.

(b) **FY86 REPORTS.**—Not later than February 1, 1986, the Secretary of Defense and the Director of the Office of Management and Budget

shall each submit to the Committees on Armed Services of the Senate and House of Representatives a report on the experience of the Department of Defense during fiscal years 1985 and 1986 (to the date of the report) concerning the management of civilian personnel of the Department without a congressionally imposed civilian end strength and with a statutory prohibition on the management during those fiscal years of such civilian personnel by end strength. Each such report shall include the views of the Secretary or Director, as appropriate, with respect to the desirability of managing such personnel in such a manner.

(c) **QUARTERLY REPORTS.**—(1) The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives quarterly reports on the obligation of funds appropriated for civilian personnel of the Department of Defense for fiscal year 1986. Each report shall include—

(A) for each appropriation account, the amounts authorized and appropriated for such personnel for fiscal year 1986;

(B) for each appropriation account and for the entire Department—

(i) the actual number of such personnel employed, and the amount of funds obligated for such personnel, as of the end of the fiscal year quarter described in the report; and

(ii) the projected number of such personnel to be employed, and the amount of funds that will be obligated for such personnel, as of the end of fiscal year 1986.

(2) Each report required by paragraph (1) shall be submitted as soon as possible after the end of the fiscal year quarter described in the report.

SEC. 503. EXERCISE OF CERTAIN AUTHORITIES RELATING TO CIVILIAN EMPLOYEES OF THE DEPARTMENT OF DEFENSE

(a) **FINDINGS.**—The Congress finds—

(1) that in National Security Decision Directive 84, issued by the President on March 11, 1983, the President directed the Attorney General to establish, after consultation with the Director of the Office of Personnel Management, an interdepartmental group to—

(A) study security procedures in effect with respect to Federal employees; and

(B) recommend appropriate revisions in Executive orders, regulations, and guidelines pertaining to such procedures; and

(2) that on May 1, 1984, the interdepartmental group referred to in clause (1) requested, in a memorandum to the Assistant to the President for National Security Affairs, that guidance be furnished to the group on matters relating to the study referred to in paragraph (1)(A).

(b) **DIRECTION TO FURNISH GUIDANCE.**—Before the end of the 60-day period beginning on the date of the enactment of this Act, the President shall transmit to the interdepartmental group referred to in subsection (a) the guidance requested in the memorandum referred to in subsection (a)(2).

(c) **REPORT REQUIREMENT.**—Before the end of the 90-day period beginning on the date that the President transmits the guidance pursuant to subsection (b), the interdepartmental group shall transmit to Congress a report on its findings and recommendations.

(d) **AUTHORITY OF THE SECRETARY OF DEFENSE.**—Subject to subsection (e), the Secretary of Defense shall exercise the following authorities with respect to civilian employees of the Department of Defense:

(1) Authorities assigned to the Director of the Office of Personnel Management under section 5.2(a) of Executive Order Number 10577 (5 U.S.C. 3301 note), relating to investigation of the suitability of applicants.

(2) Authorities assigned to the Office of Personnel Management under Executive Order Number 10450 (5 U.S.C. 7311 note), relating to security requirements for Federal employees.

(e) **AUTHORITY OF THE PRESIDENT.**—(1) Subsection (d) shall not take effect if the President directs, on or before the date of the transmittal to Congress of the report described in subsection (c), that the authorities referred to in subsection (d) shall not be exercised by the Secretary of Defense.

(2) The authority of the President under paragraph (1) may not be delegated.

SEC. 504. MODIFICATION AND STUDY OF DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL CLASSIFICATION AND PAY SYSTEMS

(a) **CIVILIAN FACULTY MEMBERS OF AIR FORCE INSTITUTE OF TECHNOLOGY.**—(1) Section 9314 of title 10, United States Code, is amended—

(A) by inserting “(a)” before “When”; and

(B) by adding at the end thereof the following new subsection:

“(b)(1) The Secretary of the Air Force may employ as many civilian faculty members at the United States Air Force Institute of Technology as is consistent with the needs of the Air Force and with Department of Defense personnel limits.

“(2) The Secretary shall prescribe regulations determining—

“(A) titles and duties of civilian members of the faculty; and

“(B) rates of basic pay of civilian members of the faculty, notwithstanding chapter 53 of title 5, but subject to the limitation set out in section 5308 of title 5.”

(2)(A) The heading of such section is amended by striking out the colon and the last word.

(B) The item relating to such section in the table of sections at the beginning of chapter 901 of such title is amended by striking out the colon and the last word.

(b) **EXCLUSION FROM CIVIL SERVICE CLASSIFICATION SYSTEM.**—Section 5102(c) of title 5, United States Code, is amended—

(1) by striking out “or” at the end of clause (26);

(2) by striking out the period at the end of clause (27) and inserting in lieu thereof “; or”; and

(3) by adding at the end thereof the following new clause:

“(28) civilian members of the faculty of the Air Force Institute of Technology whose pay is fixed under section 9314 of title 10.”

(c) **TRANSITION.**—Section 9314(b)(2) of title 10, United States Code (as added by subsection (a)(1)(B)), and section 5102(c)(28) of title 5, United States Code (as added by subsection (b)), shall not apply to any person who on the date of the enactment of this Act—

(1) is a civilian member of the faculty of the United States Air Force Institute of Technology;

(2) is paid a rate of basic pay under the General Schedule; and

(3) elects, under procedures prescribed by the Secretary of the Air Force, to continue to be paid under the General Schedule.

Government organization and employees.

5 USC 5301 et seq.

10 USC 9314.

Supra.

5 USC 5102 note.

5 USC 5332.

(d) **REPORT.**—Not later than December 31, 1985, the Secretary of Defense shall submit to Congress an evaluation of the effects of the pay and classification systems applicable to civilian employees of the Department of Defense on recruitment and retention of scientists, engineers, technicians, and other highly skilled personnel in scientific and engineering organizations in the Department.

PART B—ACTIVE MILITARY PERSONNEL

SEC. 511. ADJUSTMENT IN MARINE CORPS OFFICER GRADE TABLE

(a) **INCREASE IN AUTHORIZED NUMBER OF MARINE CORPS MAJORS.**—The table in section 523(a)(1) of title 10, United States Code, is amended by striking out “2,717”, “2,936”, “3,154”, “3,373”, and “3,591” in the items relating to the Marine Corps under the column headed “Major” and inserting in lieu thereof “2,766”, “3,085”, “3,404”, “3,723”, and “4,042”, respectively.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on October 1, 1985. 10 USC 523 note.

SEC. 512. SERVICE AGREEMENTS OF CADETS AND MIDSHIPMEN

(a) **MILITARY ACADEMY.**—Section 4348 of title 10, United States Code, relating to agreements of cadets at the United States Military Academy, is amended to read as follows: 98 Stat. 2529.

“§ 4348. Cadets: agreement to serve as officer

“(a) Each cadet shall sign an agreement with respect to the cadet’s length of service in the armed forces. The agreement shall provide that the cadet agrees to the following:

“(1) That the cadet will complete the course of instruction at the Academy.

“(2) That upon graduation from the Academy the cadet—
“(A) will accept an appointment, if tendered, as a commissioned officer of the Regular Army or the Regular Air Force; and

“(B) will serve on active duty for at least five years immediately after such appointment.

“(3) That if an appointment described in paragraph (2) is not tendered or if the cadet is permitted to resign as a regular officer before completion of the commissioned service obligation of the cadet, the cadet—

“(A) will accept an appointment as a commissioned officer as a Reserve for service in the Army Reserve or the Air Force Reserve; and

“(B) will remain in that reserve component until completion of the commissioned service obligation of the cadet.

“(b)(1) The Secretary of the Army may transfer to the Army Reserve, and may order to active duty for such period of time as the Secretary prescribes (but not to exceed four years), a cadet who breaches an agreement under subsection (a). The period of time for which a cadet is ordered to active duty under this paragraph may be determined without regard to section 651(a) of this title. 10 USC 651.

“(2) A cadet who is transferred to the Army Reserve under paragraph (1) shall be transferred in an appropriate enlisted grade or rating, as determined by the Secretary.

“(3) For the purposes of paragraph (1), a cadet shall be considered to have breached an agreement under subsection (a) if the cadet is separated from the Academy under circumstances which the Sec-

retary determines constitute a breach by the cadet of the cadet's agreement to complete the course of instruction at the Academy and accept an appointment as a commissioned officer upon graduation from the Academy.

Regulations.

“(c) The Secretary of the Army shall prescribe regulations to carry out this section. Those regulations shall include—

“(1) standards for determining what constitutes, for the purpose of subsection (b), a breach of an agreement under subsection (a);

“(2) procedures for determining whether such a breach has occurred; and

“(3) standards for determining the period of time for which a person may be ordered to serve on active duty under subsection (b).

“(d) In this section, ‘commissioned service obligation’, with respect to an officer who is a graduate of the Academy, means the period beginning on the date of the officer’s appointment as a commissioned officer and ending on the sixth anniversary of such appointment or, at the discretion of the Secretary of Defense, any later date up to the eighth anniversary of such appointment.

“(e)(1) This section does not apply to a cadet who is not a citizen or national of the United States.

“(2) In the case of a cadet who is a minor and who has parents or a guardian, the cadet may sign the agreement required by subsection (a) only with the consent of a parent or guardian.”.

10 USC 6959.

(b) NAVAL ACADEMY.—Section 6959 of such title, relating to agreements of midshipmen at the United States Naval Academy, is amended to read as follows:

“§ 6959. Midshipmen: agreement for length of service

“(a) Each midshipman shall sign an agreement with respect to the midshipman’s length of service in the armed forces. The agreement shall provide that the midshipman agrees to the following:

“(1) That the midshipman will complete the course of instruction at the Naval Academy.

“(2) That upon graduation from the Naval Academy the midshipman—

“(A) will accept an appointment, if tendered, as a commissioned officer of the Regular Navy, the Regular Marine Corps, or the Regular Air Force; and

“(B) will serve on active duty for at least five years immediately after such appointment.

“(3) That if an appointment described in paragraph (2) is not tendered or if the midshipman is permitted to resign as a regular officer before completion of the commissioned service obligation of the midshipman, the midshipman—

“(A) will accept an appointment as a commissioned officer in the Naval Reserve or the Marine Corps Reserve or as a Reserve in the Air Force for service in the Air Force Reserve; and

“(B) will remain in that reserve component until completion of the commissioned service obligation of the midshipman.

“(b)(1) The Secretary of the Navy may transfer to the Naval Reserve or the Marine Corps Reserve, and may order to active duty for such period of time as the Secretary prescribes (but not to exceed four years), a midshipman who breaches an agreement under

subsection (a). The period of time for which a midshipman is ordered to active duty under this paragraph may be determined without regard to section 651(a) of this title.

10 USC 651.

“(2) A midshipman who is transferred to the Naval Reserve or Marine Corps Reserve under paragraph (1) shall be transferred in an appropriate enlisted grade or rating, as determined by the Secretary.

“(3) For the purposes of paragraph (1), a midshipman shall be considered to have breached an agreement under subsection (a) if the midshipman is separated from the Naval Academy under circumstances which the Secretary determines constitute a breach by the midshipman of the midshipman's agreement to complete the course of instruction at the Naval Academy and accept an appointment as a commissioned officer upon graduation from the Naval Academy.

“(c) The Secretary of the Navy shall prescribe regulations to carry out this section. Those regulations shall include—

Regulations.

“(1) standards for determining what constitutes, for the purpose of subsection (b), a breach of an agreement under subsection (a);

“(2) procedures for determining whether such a breach has occurred; and

“(3) standards for determining the period of time for which a person may be ordered to serve on active duty under subsection (b).

“(d) In this section, ‘commissioned service obligation’, with respect to an officer who is a graduate of the Academy, means the period beginning on the date of the officer's appointment as a commissioned officer and ending on the sixth anniversary of such appointment or, at the discretion of the Secretary of Defense, any later date up to the eighth anniversary of such appointment.

“(e)(1) This section does not apply to a midshipman who is not a citizen or national of the United States.

“(2) In the case of a midshipman who is a minor and who has parents or a guardian, the midshipman may sign the agreement required by subsection (a) only with the consent of a parent or guardian.”.

(c) AIR FORCE ACADEMY.—Section 9348 of such title, relating to agreements of cadets at the United States Air Force Academy, is amended to read as follows:

10 USC 9348.

“§ 9348. Cadets: agreement to serve as officer

“(a) Each cadet shall sign an agreement with respect to the cadet's length of service in the armed forces. The agreement shall provide that the cadet agrees to the following:

“(1) That the cadet will complete the course of instruction at the Academy.

“(2) That upon graduation from the Academy the cadet—

“(A) will accept an appointment, if tendered, as a commissioned officer of the Regular Air Force; and

“(B) will serve on active duty for at least five years immediately after such appointment.

“(3) That if an appointment described in paragraph (2) is not tendered or if the cadet is permitted to resign as a regular officer before completion of the commissioned service obligation of the cadet, the cadet—

“(A) will accept an appointment as a commissioned officer as a Reserve in the Air Force for service in the Air Force Reserve; and

“(B) will remain in that reserve component until completion of the commissioned service obligation of the cadet.

“(b)(1) The Secretary of the Air Force may transfer to the Air Force Reserve, and may order to active duty for such period of time as the Secretary prescribes (but not to exceed four years), a cadet who breaches an agreement under subsection (a). The period of time for which a cadet is ordered to active duty under this paragraph may be determined without regard to section 651(a) of this title.

10 USC 651.

“(2) A cadet who is transferred to the Air Force Reserve under paragraph (1) shall be transferred in an appropriate enlisted grade or rating, as determined by the Secretary.

“(3) For the purposes of paragraph (1), a cadet shall be considered to have breached an agreement under subsection (a) if the cadet is separated from the Academy under circumstances which the Secretary determines constitute a breach by the cadet of the cadet’s agreement to complete the course of instruction at the Academy and accept an appointment as a commissioned officer upon graduation from the Academy.

Regulations.

“(c) The Secretary of the Air Force shall prescribe regulations to carry out this section. Those regulations shall include—

“(1) standards for determining what constitutes, for the purpose of subsection (b), a breach of an agreement under subsection (a);

“(2) procedures for determining whether such a breach has occurred; and

“(3) standards for determining the period of time for which a person may be ordered to serve on active duty under subsection (b).

“(d) In this section, ‘commissioned service obligation’, with respect to an officer who is a graduate of the Academy, means the period beginning on the date of the officer’s appointment as a commissioned officer and ending on the sixth anniversary of such appointment or, at the discretion of the Secretary of Defense, any later date up to the eighth anniversary of such appointment.

“(e)(1) This section does not apply to a cadet who is not a citizen or national of the United States.

“(2) In the case of a cadet who is a minor and who has parents or a guardian, the cadet may sign the agreement required by subsection (a) only with the consent of a parent or guardian.”

10 USC 4348
note.

(d) **DEADLINE FOR REGULATIONS.**—The Secretary of each military department shall prescribe the regulations required by section 4348(c), 6959(c), or 9348(c), as appropriate, of title 10, United States Code (as added by the amendments made by subsections (a), (b), and (c)) not later than the end of the 90-day period beginning on the date of the enactment of this Act.

10 USC 4348
note.

(e) **APPLICABILITY OF AMENDMENTS.**—The amendments made by subsections (a), (b), and (c) (other than with respect to the authority of the Secretary of a military department to prescribe regulations)—

(1) shall take effect with respect to each military department on the date on which regulations prescribed by the Secretary of that military department in accordance with subsection (d) take effect; and

(2) shall apply with respect to each agreement entered into under sections 4348, 6959, and 9348, respectively, of title 10,

United States Code, that is entered into on or after the effective date of such regulations and shall apply with respect to each such agreement that was entered into before the effective date of such regulations by an individual who is a cadet or midshipman on such date.

Ante, pp.
623-625.

SEC. 513. TRANSFERS TO AND FROM TEMPORARY DISABILITY RETIRED LIST

(a) **IMPROVEMENTS IN ADMINISTRATION OF TEMPORARY DISABILITY RETIRED LIST.**—Chapter 61 of title 10, United States Code, relating to retirement or separation for physical disability, is amended as follows:

10 USC 1201 *et seq.*

(1)(A) Sections 1201(1) and 1204(1) are amended by inserting “and stable” after “permanent nature”.

10 USC 1201,
1204.

(B) Sections 1202 and 1205 are amended by inserting “and stable” after “permanent nature” the first place it appears in each section.

10 USC 1202,
1205.

(2) Section 1210 is amended—

10 USC 1210.

(A) by inserting “and stable” in subsections (b), (c), and (d) after “permanent nature”; and

(B) in subsection (f)—

(i) by inserting “(1)” after “(f)”; and

(ii) by striking out “and rating” and all that follows and inserting in lieu thereof “or rating, the Secretary shall—

“(A) treat the member as provided in section 1211 of this title;

10 USC 1211.

or

“(B) discharge the member, retire the member, or transfer the member to the Fleet Reserve, Fleet Marine Corps Reserve, or inactive Reserve under any other law if, under that law, the member—

“(i) applies for and qualifies for that retirement or transfer; or

“(ii) is required to be discharged, retired, or eliminated from an active status.

“(2)(A) For the purpose of paragraph (1)(B), a member shall be considered qualified for retirement or transfer to the Fleet Reserve or Fleet Marine Corps Reserve or is required to be discharged, retired, or eliminated from an active status if, were the member reappointed or reenlisted under section 1211 of this title, the member would in all other respects be qualified for or would be required to be retired, transferred to the Fleet Reserve or Fleet Marine Corps Reserve, discharged, or eliminated from an active status under any other provision of law.

“(B) The grade of a member retired, transferred, discharged, or eliminated from an active status pursuant to paragraph (1)(B) shall be determined under the provisions of law under which the member is retired, transferred, discharged, or eliminated. The member’s retired, retainer, severance, readjustment, or separation pay shall be computed as if the member had been reappointed or reenlisted upon removal from the temporary disability retired list and before the retirement, transfer, discharge, or elimination. Notwithstanding section 8301 of title 5, a member who is retired shall be entitled to retired pay effective on the day after the last day on which the member is entitled to disability retired pay.”

5 USC 8301.

(3) The second sentence of section 1211(c) is amended—

10 USC 1211.

- (A) by inserting “and if the member is not discharged, retired, or transferred to the Fleet Reserve or Fleet Marine Corps Reserve or inactive Reserve under section 1210 of this title,” after “subsection (a) or (b),”; and
- (B) by inserting “and the member shall be discharged” before the period.
- 10 USC 1210.
- (b) **CONFORMING AMENDMENT.**—Section 1448(c) of such title is amended by inserting “disability” before “retired pay”.
- 10 USC 1448.
- SEC. 514. CHANGE IN TITLE OF GRADE OF COMMODORE TO REAR ADMIRAL (LOWER HALF)**
- (a) **CHANGE IN TITLE.**—(1) Section 5501 of title 10, United States Code, is amended by striking out “Commodore” in clause (4) and inserting in lieu thereof “Rear admiral (lower half)”.
- (2) Section 41 of title 14, United States Code, is amended by striking out “commodores” and inserting in lieu thereof “rear admirals (lower half)”.
- (3) Section 24 of the Coast and Geodetic Survey Commissioned Officers’ Act of 1948 (33 U.S.C. 853u) is amended by striking out “commodore” each place it appears and inserting in lieu thereof “rear admiral (lower half)”.
- 98 Stat. 2308.
- (b) **CONFORMING AMENDMENTS TO TITLE 10.**—(1) The following sections of title 10, United States Code, are amended by striking out “commodore” each place it appears and inserting in lieu thereof “rear admiral (lower half)”: 101(41), 525(a), 601(c)(2), 611(a), 612(a)(3), 619(a)(2)(B), 619(c)(2)(A)(ii), 625(a), 625(c), 634, 635, 637(b)(2), 638(a)(3), 638(b), 638(c), 645(1)(A)(ii), 5138(a), 5149(b), 5442, 5444, 5457(a), and 6389(f).
- (2) Section 5444 of such title is amended by striking out “commodores” in subsections (a) and (f) and inserting in lieu thereof “rear admirals (lower half)”.
- (3) The tables in sections 5442(a) and 5444(a) of such title are amended by striking out “commodores” and inserting in lieu thereof “rear admirals (lower half)”.
- 10 USC 5444.
- (4)(A) The heading of section 625 of such title is amended to read as follows:
- “§ 625. Authority to vacate promotions to grades of brigadier general and rear admiral (lower half)”.**
- (B) The item relating to such section in the table of sections at the beginning of subchapter II of chapter 36 of such title is amended to read as follows:
- “625. Authority to vacate promotions to grades of brigadier general and rear admiral (lower half).”
- 10 USC 625.
- (5)(A) The heading of section 635 of such title is amended to read as follows:
- “§ 635. Retirement for years of service: regular brigadier generals and rear admirals (lower half)”.**
- (B) The item relating to such section in the table of sections at the beginning of subchapter III of chapter 36 of such title is amended to read as follows:
- “635. Retirement for years of service: regular brigadier generals and rear admirals (lower half).”
- 10 USC 635.
- (6)(A) The heading of section 5442 of such title is amended to read as follows:
- 10 USC 5442.

“§ 5442. Navy: line officers on active duty: rear admirals (lower half) and rear admirals”.

(B) The item relating to such section in the table of sections at the beginning of chapter 533 of such title is amended to read as follows:

“5442. Navy: line officers on active duty; rear admirals (lower half) and rear admirals.”.

(7)(A) The heading of section 5444 of such title is amended to read as follows: 10 USC 5444.

“§ 5444. Navy: staff corps officers on active duty; rear admirals (lower half) and rear admirals”.

(B) The item relating to such section in the table of sections at the beginning of chapter 533 of such title is amended to read as follows:

“5444. Navy: staff corps officers on active duty; rear admirals (lower half) and rear admirals.”.

(8) The table in section 741(a) of such title is amended by striking out “Commodore” and inserting in lieu thereof “Rear admiral (lower half)”. 98 Stat. 2873.
10 USC 741.

(c) CONFORMING AMENDMENTS TO TITLE 14.—(1) The following sections of title 14, United States Code, are amended by striking out “commodore” each place it appears and inserting in lieu thereof “rear admiral (lower half)”: 42(b), 256(a), 259(b), 271(d), 289(a), 290(a), 421(b), 724(b), 729(e), 736(b), 740(a), 742(b), and 743.

(2)(A) The heading of section 290 of such title is amended to read as follows: 14 USC 290.

“§ 290. Rear admirals and rear admirals (lower half); continuation on active duty; involuntary retirement”.

(B) The item relating to such section in the table of sections at the beginning of chapter 11 of such title is amended to read as follows:

“290. Rear admirals and rear admirals (lower half); continuation on active duty; involuntary retirement.”.

(3)(A) The heading of section 743 of such title is amended to read as follows: 14 USC 743.

“§ 743. Rear admiral and rear admiral (lower half); maximum service in grade”.

(B) The item relating to such section in the table of sections at the beginning of chapter 21 of such title is amended to read as follows:

“743. Rear admiral and rear admiral (lower half); maximum service in grade.”.

(d) CONFORMING AMENDMENTS TO TITLE 37.—(1) The table in section 201(a) of title 37, United States Code, is amended by striking out “Commodore” in the third column and inserting in lieu thereof “Rear admiral (lower half)”. 98 Stat. 2872.

(2)(A) Section 202 of such title is amended by striking out “commodore” and inserting in lieu thereof “rear admiral (lower half)”. 37 USC 202.

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

“§ 202. Pay grades: retired Coast Guard rear admirals (lower half)”.

(C) The item relating to such section in the table of sections at the beginning of chapter 3 of such title is amended to read as follows:

“202. Pay grades: retired Coast Guard rear admirals (lower half).”.

10 USC 611 note. (e) **TRANSITION PROVISION.**—(1) An officer who on the day before the date of the enactment of this Act is serving in or has the grade of commodore shall as of the date of the enactment of this Act be serving in or have the grade of rear admiral (lower half).

(2) An officer who on the day before the date of the enactment of this Act is on a list of officers selected for promotion to the grade of commodore shall as of the date of the enactment of this Act be considered to be on a list of officers selected for promotion to the grade of rear admiral (lower half).

10 USC 525 note. **SEC. 515. TEMPORARY INCREASE IN THE NUMBER OF GENERAL AND FLAG OFFICERS AUTHORIZED TO BE ON ACTIVE DUTY IN THREE- AND FOUR-STAR GRADES**

During fiscal year 1986, the numbers of officers authorized under section 525(b) of title 10, United States Code, to be on active duty in grades above major general and rear admiral are increased as follows:

(1) **ARMY LIEUTENANT GENERALS.**—The number of officers of the Army authorized to be serving on active duty in grades above major general is increased by one during any period of that fiscal year that an officer of the Army is serving as the Director of the Department of Defense Task Force on Drug Enforcement. An additional officer in a grade above major general by reason of this paragraph may not be in the grade of general.

(2) **AIR FORCE GENERALS.**—The number of officers of the Air Force authorized to be serving on active duty in the grade of general is increased by one.

(3) **NAVY VICE ADMIRALS.**—The number of officers of the Navy authorized to be serving on active duty in a grade above rear admiral is increased by three. None of the additional officers in grades above rear admiral by reason of this paragraph may be in the grade of admiral.

(4) **MARINE CORPS GENERAL OFFICERS.**—The number of officers of the Marine Corps authorized to be serving on active duty in grades above major general is increased by one, plus an additional one during any period of that fiscal year that an officer of the Marine Corps is serving as the Commander-in-Chief of the United States Central Command. An additional officer in a grade above major general by reason of this paragraph may not be in the grade of general, unless a Marine Corps officer is serving as the Commander-in-Chief of the United States Central Command, in which case one of the additional officers authorized by this paragraph may serve in the grade of general.

SEC. 516. GRADE OF RETIRED REGULAR MEMBERS RECALLED TO ACTIVE DUTY

Section 688 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

“(d)(1) Except as provided in paragraph (2), a retired member ordered to active duty under this section shall be ordered to active duty in his retired grade.

“(2) A retired member ordered to active duty under this section whose retired grade is above the grade of major general or rear admiral shall be ordered to active duty in the highest permanent grade held by such member while serving on active duty.”.

PART C—RESERVE MILITARY PERSONNEL

SEC. 521. EXTENSION OF CERTAIN RESERVE OFFICER MANAGEMENT PROGRAMS

(a) GRADE DETERMINATION FOR RESERVE MEDICAL OFFICERS.—Sections 3359(b) and 8359(b) of title 10, United States Code, are amended by striking out “September 30, 1985” and inserting in lieu thereof “September 30, 1987”

(b) PROMOTION OF CERTAIN RESERVE OFFICERS SERVING ON ACTIVE DUTY.—Sections 3380(d) and 8380(d) of such title are amended by striking out “September 30, 1985” and inserting in lieu thereof “September 30, 1987”

10 USC 3380,
8380.

(c) YEARS OF SERVICE FOR MANDATORY TRANSFER TO THE RETIRED RESERVE.—Section 1016(d) of the Department of Defense Authorization Act, 1984 (Public Law 98-94; 97 Stat. 668), is amended by striking out “September 30, 1985” and inserting in lieu thereof “September 30, 1987”

10 USC 3360
note.

SEC. 522. RETENTION UNTIL AGE 60 OF RESERVE CIVILIAN TECHNICIANS

(a) ARMY.—(1) Section 3848(c) of title 10, United States Code, relating to reserve component officers of the Army who may be removed from an active status after completing 28 years of service, is amended to read as follows:

“(c) Notwithstanding subsections (a) and (b), the Secretary of the Army may authorize the retention in an active status until age 60 of an officer who would otherwise be removed from an active status under this section who—

“(1) is an officer of the Army National Guard of the United States assigned to a headquarters or headquarters detachment of a State or territory, the Commonwealth of Puerto Rico, the Canal Zone, or the District of Columbia; or

“(2) is employed—

“(A) as a technician under section 709 of title 32 in a position for which membership in the National Guard is required as a condition of employment; or

32 USC 709.

“(B) as a technician of the Army Reserve in a position for which membership in the Army Reserve is required as a condition of employment.”.

(2) Section 3851(c) of such title, relating to reserve component officers of the Army who may be removed from an active status after completing 30 years of service, is amended to read as follows:

98 Stat. 2522.
10 USC 3851.

“(c) Notwithstanding subsections (a) and (b), the Secretary of the Army may authorize the retention in an active status until age 60 of an officer who would otherwise be removed from an active status under this section who—

“(1) is an officer of the Army National Guard of the United States assigned to a headquarters or headquarters detachment of a State or territory, the Commonwealth of Puerto Rico, the Canal Zone, or the District of Columbia; or

“(2) is employed—

“(A) as a technician under section 709 of title 32 in a position for which membership in the National Guard is required as a condition of employment; or

32 USC 709.

“(B) as a technician of the Army Reserve in a position for which membership in the Army Reserve is required as a condition of employment.”

(b) AIR FORCE.—(1) Section 8848(c) of title 10, United States Code, relating to reserve component officers of the Air Force who may be removed from an active status after completing 28 years of service, is amended to read as follows:

“(c) Notwithstanding subsections (a) and (b), the Secretary of the Air Force may authorize the retention in an active status until age 60 of an officer who would otherwise be removed from an active status under this section who—

32 USC 709.

“(1) is employed as a technician under section 709 of title 32 in a position for which membership in the National Guard is required as a condition of employment; or

“(2) is employed as a technician of the Air Force Reserve in a position for which membership in the Air Force Reserve is required as a condition of employment.”

10 USC 8851.

(2) Section 8851(c) of such title, relating to reserve component officers of the Air Force Reserve who may be removed from an active status after completing 30 years of service, is amended to read as follows:

“(c) Notwithstanding subsections (a) and (b), the Secretary of the Air Force may authorize the retention in an active status until age 60 of an officer who would otherwise be removed from an active status under this section who—

32 USC 709.

“(1) is employed as a technician under section 709 of title 32 in a position for which membership in the National Guard is required as a condition of employment; or

“(2) is employed as a technician of the Air Force Reserve in a position for which membership in the Air Force Reserve is required as a condition of employment.”

SEC. 523. AUTHORITY TO RETAIN IN ACTIVE STATUS UNTIL AGE 62 UP TO 10 ARMY RESERVE MAJOR GENERALS

Section 3852 of title 10, United States Code, relating to mandatory retirement or discharge of reserve major generals, is amended—

(1) by inserting “(a)” at the beginning of the text of the section; and

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

“(b) Notwithstanding subsection (a), an officer in the reserve grade of major general who would otherwise be removed from an active status under this section may, in the discretion of the Secretary of the Army, be retained in an active status, but not later than the date on which he becomes 62 years of age. Not more than 10 officers may be retained under this subsection at any one time.”

SEC. 524. REQUIREMENT OF MUSTER TEST OF ARMY INDIVIDUAL READY RESERVE

(a) REQUIREMENT OF MUSTER TEST.—The Secretary of Defense shall conduct a test of the ability of the Army to muster members of the Individual Ready Reserve of the Army in time of war or national emergency. The test—

(1) shall be national in scope; and

(2) shall be conducted through voluntary calls to active duty.

(b) REPORT.—Not later than February 1, 1986, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the muster test. The report shall include the findings of the Secretary concerning—

(1) the availability and fitness for duty of members of the Army Individual Ready Reserve; and

(2) the adequacy of current call-up procedures.

PART D—MISCELLANEOUS

SEC. 531. APPOINTMENTS OF WARRANT OFFICERS

(a) **REGULAR WARRANT OFFICERS.**—Section 555(b) of title 10, United States Code, is amended to read as follows:

“(b) Permanent appointments of regular warrant officers, W-1, shall be made by warrant by the Secretary concerned. Permanent appointments of regular chief warrant officers shall be made by commission by the President.”

(b) **RESERVE WARRANT OFFICERS.**—Section 597(b) of such title is amended to read as follows: 10 USC 597.

“(b) Appointments made in the permanent reserve grade of warrant officer, W-1, shall be made by warrant by the Secretary concerned. Appointments made in a permanent reserve grade of chief warrant officer shall be made by commission by the Secretary concerned.”

(c) **TRANSITION.**—(1) The amendments made by subsections (a) and (b) apply to any appointment of a warrant officer or chief warrant officer on or after the effective date of this section. 10 USC 555 note.

(2) An officer who on the effective date of this section is serving in a chief warrant officer grade under an appointment by warrant may be appointed in that grade by commission under section 555(b) or 597(b) of title 10, United States Code, as appropriate. The date of rank of an officer who receives an appointment under this paragraph is the date of rank for the officer's appointment by warrant to that grade.

(d) **EFFECTIVE DATE.**—This section takes effect six months after the date of the enactment of this Act. 10 USC 555 note.

SEC. 532. PRISONER-OF-WAR MEDAL

(a) **AUTHORITY TO ISSUE PRISONER-OF-WAR MEDAL.**—(1) Chapter 57 of title 10, United States Code, is amended by adding at the end thereof the following new section:

“§ 1128. Prisoner-of-war medal: issue 10 USC 1128.

“(a) The Secretary concerned shall issue a prisoner-of-war medal to any person who, while serving in any capacity with the armed forces, was taken prisoner and held captive—

“(1) while engaged in an action against an enemy of the United States;

“(2) while engaged in military operations involving conflict with an opposing foreign force; or

“(3) while serving with friendly forces engaged in an armed conflict against an opposing armed force in which the United States is not a belligerent party.

“(b) The prisoner-of-war medal shall be of appropriate design, with ribbons and appurtenances.

“(c) In prescribing regulations establishing the order of precedence of awards and decorations authorized to be displayed on the uniforms of members of the armed forces, the Secretary concerned shall accord the prisoner-of-war medal a position of precedence, in relation to other awards and decorations authorized to be displayed—

“(1) immediately following decorations awarded for individual heroism, meritorious achievement, or meritorious service, and

“(2) before any other service medal, campaign medal, or service ribbon authorized to be displayed.

“(d) Not more than one prisoner-of-war medal may be issued to a person. However, for each succeeding service that would otherwise justify the issuance of such a medal, the Secretary concerned may issue a suitable device to be worn as the Secretary determines.

“(e) For a person to be eligible for issuance of a prisoner-of-war medal, the person’s conduct must have been honorable for the period of captivity which serves as the basis for the issuance.

“(f) If a person dies before the issuance of a prisoner-of-war medal to which he is entitled, the medal may be issued to the person’s representative, as designated by the Secretary concerned.

“(g) Under regulations to be prescribed by the Secretary concerned, a prisoner-of-war medal that is lost, destroyed, or rendered unfit for use without fault or neglect on the part of the person to whom it was issued may be replaced without charge.

“(h) The Secretary of Defense shall ensure that regulations prescribed by the Secretaries of the military departments under this section are uniform so far as practicable.”.

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

“1128. Prisoner-of-war medal: issue.”.

10 USC 1128
note.
Ante, p. 633.

(b) **EFFECTIVE DATE.**—Section 1128 of title 10, United States Code, as added by subsection (a), applies with respect to any person taken prisoner and held captive after April 5, 1917.

SEC. 533. CLARIFICATION OF PRECEDENCE OF THE AWARD OF THE PURPLE HEART

98 Stat. 2532.

Section 1127 of title 10, United States Code, is amended by striking out “the lowest position accorded any award or decoration for valor” and inserting in lieu thereof “the bronze star”.

SEC. 534. ESPIONAGE UNDER THE UCMJ

(a) **NEW PUNITIVE ARTICLE.**—Chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), is amended by inserting after section 906 (article 106) the following new section (article):

Penalties.
10 USC 906a.

“§ 906a. Art. 106a. Espionage

“(a)(1) Any person subject to this chapter who, with intent or reason to believe that it is to be used to the injury of the United States or to the advantage of a foreign nation, communicates, delivers, or transmits, or attempts to communicate, deliver, or transmit, to any entity described in paragraph (2), either directly or indirectly, anything described in paragraph (3) shall be punished as a court-martial may direct, except that if the accused is found guilty of an offense that directly concerns (A) nuclear weaponry, military spacecraft or satellites, early warning systems, or other means of defense or retaliation against large scale attack, (B) war plans, (C) communications intelligence or cryptographic information, or (D) any other major weapons system or major element of defense strategy, the accused shall be punished by death or such other punishment as a court-martial may direct.

“(2) An entity referred to in paragraph (1) is—

“(A) a foreign government;

“(B) a faction or party or military or naval force within a foreign country, whether recognized or unrecognized by the United States; or

“(C) a representative, officer, agent, employee, subject, or citizen of such a government, faction, party, or force.

“(3) A thing referred to in paragraph (1) is a document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, note, instrument, appliance, or information relating to the national defense.

“(b)(1) No person may be sentenced by court-martial to suffer death for an offense under this section (article) unless—

“(A) the members of the court-martial unanimously find at least one of the aggravating factors set out in subsection (c); and

“(B) the members unanimously determine that any extenuating or mitigating circumstances are substantially outweighed by any aggravating circumstances, including the aggravating factors set out in subsection (c).

“(2) Findings under this subsection may be based on—

“(A) evidence introduced on the issue of guilt or innocence;

“(B) evidence introduced during the sentencing proceeding; or

“(C) all such evidence.

“(3) The accused shall be given broad latitude to present matters in extenuation and mitigation.

“(c) A sentence of death may be adjudged by a court-martial for an offense under this section (article) only if the members unanimously find, beyond a reasonable doubt, one or more of the following aggravating factors:

“(1) The accused has been convicted of another offense involving espionage or treason for which either a sentence of death or imprisonment for life was authorized by statute.

“(2) In the commission of the offense, the accused knowingly created a grave risk of substantial damage to the national security.

“(3) In the commission of the offense, the accused knowingly created a grave risk of death to another person.

“(4) Any other factor that may be prescribed by the President by regulations under section 836 of this title (article 36).”

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter X of such chapter is amended by inserting after the item relating to section 906 (article 106) the following new item: “906a. Art. 106a. Espionage.”

Defense and national security.

10 USC 836.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

PART A—BASIC PAY AND ALLOWANCES

SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1986

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any adjustment required by section 1009 of title 37, United States Code, in elements of the compensation of members of the uniformed services to become effective during fiscal year 1986 shall not be made.

(b) THREE PERCENT PAY RAISE.—The rates of basic pay, basic allowance for subsistence, and basic allowance for quarters of mem-

37 USC 1009 note.

bers of the uniformed services are increased by 3 percent effective on October 1, 1985.

SEC. 602. ADJUSTMENTS IN VARIABLE HOUSING ALLOWANCE PROGRAM

98 Stat. 2534. (a) **VHA FOR CERTAIN MEMBERS PAYING CHILD SUPPORT.**—Subsection (a) of section 403a of title 37, United States Code, is amended by adding at the end thereof the following new paragraph:

“(4) In the case of a member with dependents—

“(A) who is assigned to duty inside the United States;

“(B) who is authorized to receive the basic allowance for quarters at the rate established for a member with dependents solely by reason of the payment of child support by the member; and

“(C) who is not assigned to a housing facility under the jurisdiction of a uniformed service, the member may be paid a variable housing allowance at the rate applicable to a member without dependents serving in the same grade and at the same location.”

(b) **LIMITATIONS ON VHA.**—Subsection (b) of such section is amended—

(1) by striking out “is not entitled to” in the matter preceding paragraph (1) and inserting in lieu thereof “may not be paid”; and

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

“(2) in the case of a member with dependents who is authorized the basic allowance for quarters at the rate established for a member with dependents solely by reason of the payment of child support by the member, if—

“(A) the member is assigned to a housing facility under the jurisdiction of a uniformed service; or

“(B) the member (i) is assigned to duty outside the United States or in Alaska or Hawaii, and (ii) is authorized a station housing allowance under section 405 of this title; or”.

98 Stat. 2536.
37 USC 405.

(c) **CLARIFICATION OF AUTHORITY TO PAY VHA AT WITH-DEPENDENTS RATE; ELIMINATION OF EXCESS HOUSING COST PAYMENTS.**—(1) Subsection (c) of such section is amended by inserting “and with the same dependency status” in paragraph (1) after “in the same pay grade” both places it appears and in paragraph (4) after “in the same pay grade” both places it appears.

(2) Such subsection is further amended by adding at the end thereof the following new paragraph:

“(6)(A) The monthly variable housing allowance that would otherwise be paid to a member under this section shall be reduced by an amount equal to one-half of the amount (if any) by which—

“(i) the total monthly housing allowance prescribed for members of the same grade as such member who are assigned to duty in the same area as such member (or in the same area in which the dependents of the member reside, as appropriate), exceeds

“(ii) the monthly housing costs of the member in the area in which the member is assigned to duty (or in the area in which the dependents of the member reside, as appropriate).

“(B) In subparagraph (A), ‘total monthly housing allowance’ means, in the case of any member, the sum of—

“(i) the monthly basic allowance for quarters to which the member is entitled; and

“(ii) the monthly variable housing allowance prescribed for the same grade as such member for the area in which the member is assigned to duty (or in the area in which the dependents of the member reside, as appropriate).”.

(d) **REQUIRED REGULATIONS.**—Subsection (e) of such section is amended by—

(1) inserting “(1)” before “The President”; and

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

“(2) Any regulations prescribed under paragraph (1) may not allow—

“(A) an increase in the variable housing allowance rate for a pay grade in a survey area solely to prevent the variable housing allowance rate for a lower pay grade in the survey area from exceeding such rate; or

“(B) a failure to lower the variable housing allowance rate for a pay grade in a survey area in accordance with a decrease in housing costs for such pay grade in such area reported on the variable housing allowance survey.

“(3) Paragraph (2) shall not apply to regulations prescribed with respect to any pay grade in a survey area for which available data describe fewer than 50 persons in the pay grade.”.

(e) **SAVINGS PROVISION.**—A member described in paragraph (4) of section 403a(a) of title 37, United States Code, as added by subsection (a), who on September 30, 1985, is receiving variable housing allowance at the rate applicable to a member with dependents shall continue to be entitled to variable housing allowance at the appropriate rate applicable to a member with dependents until the member departs his duty station as a result of a permanent change of station.

(f) **EFFECTIVE DATE.**—(1) The amendments made by subsections (a), (b), and (d) shall take effect on October 1, 1985.

(2) The amendments made by subsection (c)(1) shall apply as if included in the enactment of section 403a of title 37, United States Code, by section 602(d) of the Department of Defense Authorization Act, 1985 (Public Law 98-525).

(3) The amendment made by subsection (c)(2) shall take effect on the first day of the first month beginning 90 days or more after the date of the enactment of this Act.

SEC. 603. PAYMENT OF VARIABLE HOUSING ALLOWANCE IN ALASKA AND HAWAII

(a) **REPEAL OF AUTHORITY FOR PAYMENT OF STATION HOUSING ALLOWANCE IN ALASKA AND HAWAII DURING FISCAL YEAR 1985.**—Section 8108 of the Department of Defense Appropriations Act, 1985 (as contained in section 101(h) of Public Law 98-473 (98 Stat. 1943)), is repealed.

(b) **CONFORMING AND TECHNICAL AMENDMENTS TO VHA TRANSITION PROVISION.**—Paragraph (2) of section 602(f) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2537), is amended to read as follows:

“(2)(A) A member shall be entitled to receive a station housing allowance under section 405 of title 37, United States Code, as if the amendments made by subsection (e) had not been enacted, if the member, on the date of the enactment of the Department of Defense Authorization Act, 1986—

37 USC 403a.

37 USC 403a
note.
Ante, p. 636.

37 USC 403a
note.

98 Stat. 2534.

37 USC 403a
note.

98 Stat. 2536.

Ante, p. 583.

“(i) is assigned to a permanent duty station in Alaska or Hawaii; and

98 Stat. 2536.
37 USC 405.

“(ii) is entitled to payment of a temporary lodging allowance or a station housing allowance under section 405 of such title.
“(B) A member who is entitled to a station housing allowance by reason of subparagraph (A) shall only be entitled to such allowance until the earlier of—

“(i) the date on which the member departs that station as a result of a permanent change of duty station; or

“(ii) the expiration of the four-year period beginning on the date of the enactment of the Department of Defense Authorization Act, 1986.

“(C) Any member who is entitled to a station housing allowance by reason of subparagraph (A) shall not be entitled to a variable housing allowance under paragraph (1) or (2) of section 403a of such title (as added by subsection (d)).”.

98 Stat. 2534.
37 USC 403a.

SEC. 604. AUTHORITY TO PAY BAQ AND VHA IN ADVANCE

98 Stat. 2534.

(a) **BASIC ALLOWANCE FOR QUARTERS.**—Section 403(a) of title 37, United States Code, is amended by adding at the end thereof the following new sentence: “The allowance authorized by this section may be paid in advance.”.

(b) **VARIABLE HOUSING ALLOWANCE.**—Section 403a(a)(1) of such title is amended by adding at the end thereof the following new sentence: “The allowance authorized by this section may be paid in advance.”.

37 USC 403 note.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on October 1, 1985.

SEC. 605. ELIGIBILITY FOR BASIC ALLOWANCE FOR QUARTERS

(a) **MEMBERS WITHOUT DEPENDENTS ASSIGNED TO FIELD DUTY OR SEA DUTY.**—Section 403(c) of title 37, United States Code, is amended—

(1) by striking out “is not entitled to a basic allowance for quarters while he is on field duty” in paragraph (1) and inserting in lieu thereof “who makes a permanent change of station for assignment to a unit conducting field operations is not entitled to a basic allowance for quarters while on that initial field duty”;

(2) by striking out “and who is on sea duty” in the second sentence of paragraph (2) and all that follows and inserting in lieu thereof “who is assigned to sea duty under a permanent change of station is not entitled to a basic allowance for quarters if the unit to which the member is ordered is deployed and the permanent station of the unit is different than the permanent station from which the member is reporting.”; and

(3) by striking out paragraph (3).

37 USC 403 note.

(b) **EFFECTIVE DATES.**—(1) The amendments made by paragraphs (1) and (2) of subsection (a) shall take effect on October 1, 1985.

(2) The amendment made by paragraph (3) of subsection (a) shall take effect on January 1, 1986.

SEC. 606. REIMBURSEMENT FOR ACCOMMODATIONS IN PLACE OF QUARTERS

98 Stat. 2537.

(a) **LIMITATION ON AMOUNT AVAILABLE FOR REIMBURSEMENT FOR FISCAL YEAR 1986.**—Section 7572(b)(3) of title 10, United States Code, is amended—

- (1) by striking out “and” after “fiscal year 1984,”; and
- (2) by inserting “, and \$1,421,000 for fiscal year 1986” after “fiscal year 1985”.

(b) **EXTENSION OF AUTHORITY.**—Section 3 of Public Law 96-357 (10 U.S.C. 7572 note) is amended by striking out “September 30, 1985” and inserting in lieu thereof “September 30, 1986”. 98 Stat. 2537.

SEC. 607. INCREASE IN FAMILY SEPARATION ALLOWANCE

(a) **MONTHLY ALLOWANCE.**—Section 427(b) of title 37, United States Code, is amended by striking out “\$30” and inserting in lieu thereof “\$60”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect on October 1, 1985, and shall apply only to family separation allowances payable for months beginning on or after that date. 37 USC 427 note.

PART B—TRAVEL AND TRANSPORTATION

SEC. 611. INCREASE IN DISLOCATION ALLOWANCE

(a) **AMOUNT PAYABLE.**—Section 407 of title 37, United States Code, is amended by striking out “one month” and inserting in lieu thereof “two months”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to moves begun after September 30, 1985. 37 USC 407 note.

SEC. 612. REVISION OF TRAVEL AND TRANSPORTATION ALLOWANCES

(a) **IN GENERAL.**—Subsection (d) of section 404 of title 37, United States Code, is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following: “(1) The travel and transportation allowances authorized for each kind of travel may not be more than one of the following:

“(A) Transportation in kind, reimbursement therefor, or, under regulations prescribed by the Secretaries concerned, when travel by privately-owned conveyance is authorized or approved as more advantageous to the Government, a monetary allowance in place of the cost of transportation, at the rates provided in section 5704 of title 5, based on distances established over the shortest usually traveled route, under mileage tables prepared under the direction of the Secretary of the Army.

“(B) Transportation in kind, reimbursement therefor, or a monetary allowance as provided in subparagraph (A) of this paragraph, plus a per diem in place of subsistence in an amount not more than \$50 determined by the Secretaries concerned to be sufficient to meet normal and necessary expenses in the area to which travel is to be performed.

“(C) A mileage allowance at a rate per mile prescribed by the Secretaries concerned and based on distances established under clause (1) of this subsection.”; and

(2) by designating the second sentence as paragraph (2) and by striking out “clause (2)” in such sentence and inserting in lieu thereof “paragraph (1)(B)”.

(b) **TRANSPORTATION ALLOWANCE FOR DEPENDENTS.**—Section 406(a)(1) of such title is amended by striking out “for his dependents” and all that follows through “to be prescribed” and inserting in lieu thereof “, reimbursement therefor, or a monetary allowance in place of the cost of transportation, plus a per diem, for the 37 USC 406.

member's dependents at rates prescribed by the Secretaries concerned".

37 USC 404 note.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to travel performed after September 30, 1985.

SEC. 613. TEMPORARY LODGING EXPENSES

(a) **ENTITLEMENT.**—Section 404a(a) of title 37, United States Code, is amended—

(1) in the first sentence, by striking out "may" and inserting in lieu thereof "shall";

(2) in the second sentence, by striking out "may" the first place it appears and inserting in lieu thereof "are to"; and

(3) in the third sentence, by striking out "may" the first place it appears and inserting in lieu thereof "are to".

37 USC 404a note.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on October 1, 1985.

SEC. 614. ALLOWANCES FOR TRANSPORTATION OF BAGGAGE AND HOUSEHOLD EFFECTS

(a) **AUTHORITY TO PAY FOR CERTAIN LABOR PROVIDED BY MEMBER.**—Section 406(k) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(k)";

(2) in the first sentence, by inserting "or in which a member provides all or a part of the labor in connection with the transportation of the baggage and household effects of the member (including packing, crating, and loading)" after "rental vehicle"; and

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

"(2) The Secretary concerned may prescribe in any regulations authorizing the payment of a monetary allowance to a member who participates in a program in which the member provides all or a part of the labor in connection with the transportation of the baggage and household effects of the member—

"(A) the extent to which payment to the member will be made for such labor, and

"(B) the manner in which liability will be allocated among the member, the United States, and the common carriers involved in the event of loss of or damage to any baggage or household effects packed, crated, or loaded by the member."

37 USC 406 note.

(b) **TERMINATION OF AUTHORITY.**—The amendments made by subsection (a) shall expire on September 30, 1989.

37 USC 406 note.

(c) **PROHIBITION ON RETROACTIVE PAYMENTS.**—No allowance may be paid to any member of a uniformed service by virtue of the amendments made by subsection (a) in connection with the transportation of the baggage and household effects provided the member before the date of the enactment of this Act.

37 USC 406 note.

(d) **REPORT REQUIREMENT.**—The Secretary of Defense shall submit a report to the Congress not later than September 30, 1988, regarding the operation of any program carried out by the military departments under which payment of a monetary allowance is made to a member who provides all or a part of the labor in connection with the transportation of the baggage and household effects of the member and shall include in such report such recommendations for legislative action the Secretary considers appropriate.

SEC. 615. TRAVEL ALLOWANCE FOR TRAVEL PERFORMED IN CONNECTION WITH CERTAIN LEAVE

(a) **IN GENERAL.**—Section 411b(a)(1) of title 37, United States Code, is amended—

- (1) by striking out “if he is a member without dependents,”;
- (2) by striking out “, if either” and all that follows and inserting in lieu thereof a period; and
- (3) by adding at the end thereof the following new sentence: “Such allowances may be paid for the member and for the dependents of the member who are authorized to, and do, accompany him at his duty stations.”

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall apply with respect to orders to change a permanent station that are effective after September 30, 1985.

37 USC 411b
note.

SEC. 616. TRAVEL DURING SHIP OVERHAUL

(a) **IN GENERAL.**—Section 406b of title 37, United States Code, is amended—

- (1) by inserting “(a)” before “Under”;
- (2) by striking out “, ninety-first, and one hundred and fifty-first calendar day” and inserting in lieu thereof “calendar day, and every sixtieth calendar day after the thirty-first calendar day”; and

(3) by adding at the end thereof the following new subsections:

“(b) Transportation in kind, reimbursement for personally procured transportation, or a monetary allowance in place of the cost of transportation as provided in section 404(d)(1) of this title may be provided, in lieu of the member’s entitlement to transportation, for the member’s dependents from the location that was the home port of the ship before commencement of overhaul or inactivation to the port of overhaul or inactivation. The total reimbursement for transportation for the member’s dependents may not exceed the cost of Government-procured commercial roundtrip travel.

37 USC 404.

“(c) A member of the uniformed services on permanent duty aboard a ship which undergoes a change of home port to the overhaul or inactivation port and the member’s dependents may be provided the transportation allowances prescribed in subsections (a) and (b) of this section in lieu of the transportation authorized by section 406 of this title and section 2634 of title 10.

“(d) Section 420 of this title does not apply with respect to transportation or allowances provided under this section.”

37 USC 406.
10 USC 2634.
37 USC 420.

(b) **EFFECTIVE DATE.**—The travel allowances authorized by the amendments made by this section are payable only for travel that commences after September 30, 1985, but may be paid for members assigned to vessels being overhauled or inactivated away from home port on the date of the enactment of this Act.

37 USC 406b
note.

(c) **CLERICAL AMENDMENTS.**—(1) The heading for such section is amended by striking out the last four words.

(2) The item relating to such section in the table of sections at the beginning of chapter 7 of such title is amended by striking out the last four words.

SEC. 617. DEFINITION OF RESIDENCE OF A STUDENT DEPENDENT

(a) **IN GENERAL.**—Section 406 of title 37, United States Code, is amended by adding at the end thereof the following new subsection:

“(1) For the purposes of this section, the residence of a dependent of a member who is a student not living with the member while at

school shall be considered to be the permanent duty station of the member or the designated residence of dependents of the member if the member's dependents are not authorized to reside with the member."

37 USC 406 note.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply with respect to orders to change a permanent station that are effective after September 30, 1985.

SEC. 618. EXTENSION OF TEST PROGRAM FOR FLAT RATE PER DIEM SYSTEM

(a) **AUTHORITY FOR TEST PROGRAM.**—The Secretary concerned may carry out a program to test a flat rate per diem system for travel allowances for travel performed by members of the Armed Forces while on temporary duty.

(b) **AMOUNT OF FLAT RATE.**—Per diem allowances paid under such a test program shall be in an amount determined by the Secretary concerned to be sufficient to meet normal and necessary expenses in the area in which travel is performed, but may not exceed \$75 for each day a member is in travel status within the continental United States.

(c) **REGULATIONS.**—The test program under this section shall be carried out under regulations prescribed by the Secretary concerned.

(d) **DEFINITION OF SECRETARY CONCERNED.**—For the purposes of this section, the term "Secretary concerned" means—

- (1) the Secretary of each military department with respect to matters concerning the respective military departments; and
- (2) the Secretary of Defense with respect to matters concerning the defense agencies.

(e) **DURATION OF PROGRAM.**—The test program under this section shall be carried out during the period beginning on October 1, 1985, and ending on September 30, 1986.

SEC. 619. TRAVEL AND TRANSPORTATION ALLOWANCES FOR TRAVEL WITHIN THE ADMINISTRATIVE LIMITS OF A MEMBER'S DUTY STATION

(a) **AUTHORITY TO PAY PARKING FEES.**—The second sentence of section 408 of title 37, United States Code, is amended by inserting "plus parking fees" after "fixed rate a mile".

37 USC 408 note.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply with respect to parking fees incurred after September 30, 1985.

SEC. 620. TRANSPORTATION ALLOWANCES FOR SURVIVORS OF DECEASED MEMBER TO ATTEND BURIAL CEREMONIES OF DECEASED MEMBER

(a) **AUTHORITY TO PROVIDE ROUND-TRIP TRAVEL ALLOWANCE.**—(1) Chapter 7 of title 37, United States Code, is amended by inserting after section 411e the following new section:

37 USC 411f.

"§ 411f. Travel and transportation allowances: transportation for survivors of deceased member to attend the member's burial ceremonies

"(a) Under uniform regulations prescribed by the Secretaries concerned, round trip travel and transportation allowances may be provided the dependents of a member who dies while on active duty

for a period of 30 days or more in order to attend the burial ceremonies of the deceased member.

“(b)(1) Except as provided in paragraph (2), allowances under this section are limited to travel and transportation to a location in the United States, Puerto Rico, and the possessions of the United States and may not exceed the rates for 2 days.

“(2) If a deceased member was ordered or called to active duty from a place outside the United States, Puerto Rico, or the possessions of the United States, the allowances authorized under this section may be provided to and from such place and may be extended to accommodate the time necessary for such travel.

“(c) In this section, the term ‘dependents’ includes the dependents specified in paragraphs (1) and (2) of section 401 of this title. However, if no person qualifies under such paragraphs, the parents of a member (including stepparent or parent by adoption, or any person, including a former stepparent, who has stood in loco parentis to the member at any time for a continuous period of at least 5 years before the member became 21 years of age) may be paid the travel and transportation allowances authorized under this section.”

37 USC 401.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 411e the following new item:

“411f. Travel and transportation allowances: transportation for survivors of deceased member to attend the member's burial ceremonies.”

(b) **EFFECTIVE DATE.**—The travel and transportation allowance authorized by the amendments made by this section is payable only for travel that commences after September 30, 1985.

37 USC 411f note.

PART C—BONUSES AND SPECIAL AND INCENTIVE PAYS

Subpart 1—Active Forces

SEC. 631. LUMP-SUM PAYMENTS OF SELECTIVE REENLISTMENT BONUSES

(a) **SPECIFICATION OF MINIMUM TO BE PAID IN ADVANCE.**—Paragraph (1) of section 308(b) of title 37, United States Code, is amended to read as follows:

98 Stat. 2540.

“(1) Not less than 75 percent of the amount of a bonus under this section shall be paid in a lump sum at the beginning of the period for which the bonus is paid, with any remaining amount paid in equal annual installments.”

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply with respect to bonuses paid for reenlistments or extensions of enlistment effective after September 30, 1986.

37 USC 308 note.

SEC. 632. SPECIAL PAY FOR NUCLEAR OFFICERS

(a) **CONTINUATION PAY.**—(1) Subsection (a) of section 312 of title 37, United States Code, is amended—

(A) by inserting “and” at the end of clause (2);

(B) by striking out clause (3);

(C) by redesignating clause (4) as clause (3) and striking out “for one period of four years” in such clause and inserting in lieu thereof “for a period of three, four, or five years, so long as the new period of obligated active service does not extend beyond the end of 26 years of commissioned service;” and

(D) in the matter following such clause—

(i) by striking out "\$7,000" and inserting in lieu thereof "\$12,000";

(ii) by striking out "semiannually" and "six-month period" in the second sentence and inserting in lieu thereof "annually" and "12-month period", respectively; and

(iii) by striking out "shall become fixed" and all that follows through the end of subsection (a) and inserting in lieu thereof "shall be paid in equal annual installments over the length of the contract, commencing at the expiration of any existing period of obligated active service. The Secretary (or his designee) may accept an active service agreement under this section not more than one year in advance of the end of an officer's existing period of obligated active service under such an agreement. In such a case, the amount of the special pay may be paid commencing with the date of acceptance of the agreement, with the number of installments being equal to the number of years covered by the contract plus one."

(2) Subsection (b) of such section is repealed.

(3) Subsection (c) of such section is redesignated as subsection (b) and is amended by striking out "of four years".

(4) Subsection (d) of such section is redesignated as subsection (c) and is amended—

(A) by striking out "four years" in the second sentence; and

(B) by striking out "at the end of the four-year period" in that sentence.

(5) Such section is further amended by inserting after subsection (c) (as so redesignated) the following new subsection (d):

"(d)(1) An officer who is performing obligated service under an agreement under subsection (a) of this section may, if the amount that may be paid under such subsection is higher than at the time the officer executed such agreement, execute a new agreement under that subsection. The period of such an agreement shall be a period equal to or exceeding the original period of the officer's existing agreement, so long as the period of obligated active service under the new agreement does not extend beyond the end of 26 years of commissioned service. If a new agreement is executed under this subsection, the existing active-service agreement shall be cancelled, effective on the day before an anniversary date of that agreement after the date on which the amount that may be paid under this section is increased.

"(2) This subsection shall be carried out under regulations prescribed by the Secretary of the Navy."

(6) Subsection (e) of such section is amended by striking out "September 30, 1987" and inserting in lieu thereof "September 30, 1990".

(b) **NUCLEAR-CAREER ACCESSION BONUS.**—(1) Subsection (a)(1) of section 312b of such title is amended—

(A) by striking out "of \$3,000" and inserting in lieu thereof "not to exceed \$8,000"; and

(B) by adding at the end thereof the following new sentence: "Upon acceptance of the agreement by the Secretary, the amounts payable upon selection for training and upon completion of training, respectively, as determined under subsection (b) of this section, shall become fixed."

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

“(b) The Secretary of the Navy shall determine annually the total amount of the bonus to be paid under this section and of that amount the portions that are to be paid—

“(1) upon selection for officer naval nuclear power training; and

“(2) upon successful completion, as a commissioned officer, of training for duty in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants.”.

(3) Subsection (d) of such section is amended by striking out “September 30, 1987” and inserting in lieu thereof “September 30, 1990”.

(c) ANNUAL INCENTIVE BONUS.—(1) Subsection (a) of section 312c of such title is amended as follows:

37 USC 312c.

(A) The first sentence is designated as paragraph (1) and amended—

(i) by redesignating clauses (1) through (5) as clauses (A) through (E), respectively;

(ii) by striking out “, but has completed less than twenty-six years of commissioned service” in clause (C) (as so designated); and

(iii) by striking out “\$6,000” and “October 1, 1987” and inserting in lieu thereof “\$10,000” and “October 1, 1990”, respectively.

(B) The second sentence is designated as paragraph (2) and is amended by inserting “technically” before “qualified”.

(C) The third sentence is designated as paragraph (3) and is amended by striking out “nuclear service year” the second place it appears and all that follows in that sentence and inserting in lieu thereof “nuclear service year on which he—

“(A) was not on active duty;

“(B) was not technically qualified for duty in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants;

“(C) was performing obligated service as the result of an active-service agreement executed under section 312 of this title; or

“(D) was entitled to receive aviation career incentive pay in accordance with section 301a while serving in a billet other than a billet that required the officer—

Ante, p. 643.

37 USC 301a.

“(i) be technically qualified for duty in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants; and

“(ii) be qualified for the performance of operational flying duties.”.

(D) The fourth sentence is repealed.

(2) Subsection (b) of such section is amended as follows:

(A) The first sentence is designated as paragraph (1) and amended—

(i) by redesignating clauses (1) through (4) as clauses (A) through (D), respectively; and

(ii) by striking out “\$3,500” and “October 1, 1987” and inserting in lieu thereof “\$4,500” and “October 1, 1990”, respectively.

(B) The second sentence is designated as paragraph (2) and is amended by inserting “technically” before “qualified”.

(C) The third sentence is designated as paragraph (3) and is amended by striking out “nuclear service year” and all that

follows in that sentence and inserting in lieu thereof "nuclear service year on which he—

"(A) was not in an assignment involving the direct supervision, operation, or maintenance of naval nuclear propulsion plants;

"(B) was performing obligated service as the result of an active-service agreement executed under section 312 of this title; or

"(C) was entitled to receive aviation career incentive pay in accordance with section 301a while serving in a billet other than a billet—

"(i) involving the direct supervision, operation, or maintenance of naval nuclear propulsion plants; and

"(ii) that required the officer be qualified for the performance of operational flying duties."

(3) Subsection (e) of such section is amended by striking out "October 1, 1987" and inserting in lieu thereof "October 1, 1990".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

SEC. 633. INCENTIVE PAY FOR SUBMARINE DUTY

(a) INCREASE IN RATES OF INCENTIVE PAY FOR OFFICERS.—The table pertaining to commissioned officers in section 301c(b) of title 37, United States Code, is amended to read as follows:

"COMMISSIONED OFFICERS

"Pay grade	Years of service computed under section 205						
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10
O-10	\$265	\$265	\$265	\$265	\$265	\$265	\$265
O-9	265	265	265	265	265	265	265
O-8	265	265	265	265	265	265	265
O-7	265	265	265	265	265	265	265
O-6	440	440	440	440	440	440	440
O-5	440	440	440	440	440	440	440
O-4	270	270	270	300	440	440	440
O-3	265	265	265	290	440	440	440
O-2	175	175	175	175	175	175	265
O-1	130	130	130	130	130	130	265

"Pay grade	Years of service computed under section 205						
	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26
O-10	\$265	\$265	\$265	\$265	\$265	\$265	\$265
O-9	265	265	265	265	265	265	265
O-8	265	265	265	265	265	265	265
O-7	265	265	400	395	395	305	265
O-6	440	440	440	440	440	440	440
O-5	440	440	440	440	440	440	440
O-4	440	440	440	440	440	440	440
O-3	440	440	440	440	440	440	440
O-2	265	265	265	265	265	265	265
O-1	265	265	265	265	265	265	265

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 1985.

Ante, p. 643.

37 USC 301a.

37 USC 312 note.

37 USC 301c note.

SEC. 634. CAREER SEA PAY

(a) **INCREASE IN RATES FOR OFFICERS.**—The tables pertaining to warrant officers and commissioned officers in section 305a(b) of title 37, United States Code, are amended to appear as follows:

98 Stat. 2541.

“WARRANT OFFICERS

“Pay grade	Years of sea duty								
	1 or less	Over 1	Over 2	Over 3	Over 4	Over 5	Over 6	Over 7	Over 8
W-1	\$130	\$135	\$140	\$150	\$170	\$175	\$200	\$250	\$270
W-2	150	150	150	150	170	260	265	265	270
W-3	150	150	150	150	170	270	280	285	290
W-4	150	150	150	150	170	290	310	310	310

“Pay grade	Years of sea duty								
	Over 9	Over 10	Over 11	Over 12	Over 14	Over 16	Over 18	Over 20	
W-1	\$275	\$280	\$290	\$300	\$300	\$300	\$300	\$300	
W-2	275	280	290	310	330	350	370	390	
W-3	300	310	310	330	350	370	390	410	
W-4	310	320	330	350	370	390	410	410	

“COMMISSIONED OFFICERS

“Pay grade	Years of sea duty						
	Over 3	Over 4	Over 5	Over 6	Over 7	Over 8	Over 9
O-1	\$150	\$160	\$185	\$190	\$195	\$205	\$215
O-2	150	160	185	190	195	205	215
O-3	150	160	185	190	195	205	215
O-4	185	190	200	205	215	215	220
O-5	225	225	225	225	230	245	250
O-6	225	230	230	240	255	265	280

“Pay grade	Years of sea duty						
	Over 10	Over 11	Over 12	Over 14	Over 16	Over 18	Over 20
O-1	\$225	\$225	\$240	\$250	\$260	\$270	\$280
O-2	225	225	240	250	260	270	280
O-3	225	225	240	260	270	280	290
O-4	225	225	240	270	280	290	300
O-5	260	265	265	285	300	315	340
O-6	290	300	310	325	340	355	380”

(b) **EFFECTIVE DATE.**—The amendment made by this section shall take effect on October 1, 1985.

37 USC 305a note.

SEC. 635. INCENTIVE PAY FOR HAZARDOUS DUTY

(a) **HAZARDOUS DUTY INCENTIVE PAY FOR OFFICERS AND FOR CERTAIN ADDITIONAL DUTIES.**—(1) Subsection (a) of section 301 of title 37, United States Code, is amended—

98 Stat. 2542.

(A) in clause (1), by striking out “an enlisted crew member” and inserting in lieu thereof “a crew member”; and

(B) by striking out clause (10) and inserting in lieu thereof the following:

“(10) involving (A) the servicing of aircraft or missiles with highly toxic fuels or propellants, (B) the testing of aircraft or missile systems (or components of such systems) during which highly toxic fuels or propellants are used, or (C) the handling of chemical munitions (or components of such munitions); or”.

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

“(b) For the performance of hazardous duty described in clause (1) of subsection (a) of this section, a member is entitled to monthly incentive pay as follows:

“Pay Grade	Monthly Rate
O-10	\$110
O-9	110
O-8	110
O-7	110
O-6	250
O-5	250
O-4	225
O-3	175
O-2	150
O-1	125
W-4	250
W-3	175
W-2	150
W-1	125
E-9	200
E-8	200
E-7	200
E-6	175
E-5	150
E-4	125
E-3	110
E-2	110
E-1	110”.

(3) Paragraph (1) of subsection (c) of such section is amended to read as follows:

“(1) For the performance of hazardous duty described in clauses (2) through (10) of subsection (a) of this section, a member is entitled to \$110 a month. However, a member performing hazardous duty described in clause (3) of that subsection who also performs as an essential part of such duty parachute jumping at a high altitude with a low opening is entitled to \$165 a month.”.

37 USC 301 note.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on October 1, 1985.

SEC. 636. EXTENSION OF AVIATION OFFICER CONTINUATION PAY

98 Stat. 2540, 2541.

Effective on October 1, 1985, section 301b of title 37, United States Code, is amended by striking out “September 30, 1985” in subsections (e)(2), (e)(3), and (f) and inserting in lieu thereof “September 30, 1987”.

SEC. 637. CHANGE IN DEFINITION OF ENGINEERING AND SCIENTIFIC DUTY

(a) **DEFINITION.**—(1) Subsection (a) of section 315 of title 37, United States Code, is amended to read as follows:

“(a) In this section, ‘engineering or scientific duty’ means service performed by an officer—

“(1) that requires an engineering or science degree; and

“(2) that requires a skill designated (under regulations prescribed by the Secretary of Defense for the armed forces, by the

Secretary of Commerce for the National Oceanic and Atmospheric Administration, or by the Secretary of Health and Human Services for the Public Health Service) as critical and as a skill in which there is a critical shortage of officers in the uniformed service concerned.”

(2) The matter preceding clause (1) of section 315(b) of such title is amended to read as follows: 37 USC 315.

“(b) Under regulations prescribed by the Secretary concerned, an officer of a uniformed service who—”

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1985. 37 USC 315 note.

SEC. 638. INCENTIVE PAY FOR DUTY SUBJECT TO HOSTILE FIRE

(a) INCREASE IN INCENTIVE PAY FOR DUTY SUBJECT TO HOSTILE FIRE.—The first sentence of section 310 of title 37, United States Code, is amended by striking out “at the rate of \$65 a month” and inserting in lieu thereof “at the lowest rate for hazardous duty incentive pay specified in section 301(c)(1) of this title”.

98 Stat. 2542.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 1985.

37 USC 310 note.

SEC. 639. REVISION OF SPECIAL PAY FOR DENTAL OFFICERS

(a) IN GENERAL.—Section 302b of title 37, United States Code, is amended to read as follows:

“§ 302b. Special pay: dental officers of the armed forces

“(a)(1) An officer who—

“(A) is an officer of the Dental Corps of the Army or the Navy or an officer of the Air Force designated as a dental officer; and

“(B) is on active duty under a call or order to active duty for a period of not less than one year,

is entitled to special pay in accordance with this subsection.

“(2) An officer described in paragraph (1) of this subsection who is serving in a pay grade below pay grade O-7 is entitled to variable special pay at the following rates:

“(A) \$1,200 per year, if the officer is undergoing dental internship training or has less than three years of creditable service.

“(B) \$2,000 per year, if the officer has at least three but less than six years of creditable service and is not undergoing dental internship training.

“(C) \$4,000 per year, if the officer has at least six but less than 10 years of creditable service.

“(D) \$6,000 per year, if the officer has at least 10 but less than 14 years of creditable service.

“(E) \$4,000 per year, if the officer has at least 14 but less than 18 years of creditable service.

“(F) \$3,000 per year, if the officer has 18 or more years of creditable service.

“(3) An officer described in paragraph (1) of this subsection who is serving in a pay grade above pay grade O-6 is entitled to variable special pay at the rate of \$1,000 per year.

“(4) Subject to subsection (b) of this section, an officer entitled to variable special pay under paragraph (2) or (3) of this subsection is entitled to additional special pay for any 12-month period during which the officer is not undergoing dental internship or residency training. Such additional special pay shall be paid at the following rates:

“(A) \$6,000 per year, if the officer has at least three but less than 14 years of creditable service.

“(B) \$8,000 per year, if the officer has at least 14 but less than 18 years of creditable service.

“(C) \$10,000 per year, if the officer has 18 or more years of creditable service.

“(5) An officer who is entitled to variable special pay under paragraph (2) or (3) of this subsection and who is board certified is entitled to additional special pay at the following rates:

“(A) \$2,000 per year, if the officer has less than 12 years of creditable service.

“(B) \$3,000 per year, if the officer has at least 12 but less than 14 years of creditable service.

“(C) \$4,000 per year, if the officer has 14 or more years of creditable service.

“(b)(1) An officer may not be paid additional special pay under subsection (a)(4) of this section for any 12-month period unless the officer first executes a written agreement under which the officer agrees to remain on active duty for a period of not less than one year beginning on the date the officer accepts the award of such special pay.

Regulations.
37 USC 303a.

“(2) Under regulations prescribed by the Secretary of Defense under section 303a(a) of this title, the Secretary of the military department concerned may terminate at any time an officer's entitlement to the special pay authorized by subsection (a)(4) of this section. If such entitlement is terminated, the officer concerned is entitled to be paid such special pay only for the part of the period on active duty that the officer served, and the officer may be required to refund any amount in excess of that entitlement.

Regulations.

“(c) Regulations prescribed by the Secretary of Defense under section 303a(a) of this title shall include standards for determining—

“(1) whether an officer is undergoing internship or residency training for purposes of subsections (a)(2)(A), (a)(2)(B), and (a)(4) of this section; and

“(2) whether an officer is board certified for purposes of subsection (a)(5) of this section.

“(d) Special pay payable to an officer under paragraphs (2), (3), and (5) of subsection (a) of this section shall be paid monthly. Special pay payable to an officer under subsection (a)(4) of this section shall be paid annually at the beginning of the 12-month period for which the officer is entitled to such payment.

“(e) An officer who voluntarily terminates service on active duty before the end of the period for which a payment was made to such officer under subsection (a)(4) of this section shall refund to the United States an amount which bears the same ratio to the amount paid to such officer as the unserved part of such period bears to the total period for which the payment was made.

“(f) A discharge in bankruptcy under title 11 shall not release a person from an obligation to reimburse the United States required under the terms of an agreement described in subsection (b) of this section if the final decree of the discharge in bankruptcy was issued within a period of five years after the last day of a period which such person had agreed to serve on active duty. This subsection applies to a discharge in bankruptcy in any proceeding which begins after September 30, 1985.

“(g) For purposes of this section, creditable service of an officer is computed by adding—

“(1) all periods which the officer spent in dental internship or residency training during which the officer was not on active duty; and

“(2) all periods of active service in the Dental Corps of the Army or Navy, as an officer of the Air Force designated as a dental officer, or as a dental officer of the Public Health Service.”.

(b) **REPEAL OF CONTINUATION PAY FOR DENTISTS.**—Section 311 of such title is repealed.

37 USC 311.
37 USC 302b
note.

(c) **AUTHORITY FOR CERTAIN DENTAL OFFICERS TO EXECUTE NEW AGREEMENTS.**—(1) Subject to paragraphs (2) and (3), a dental officer who on October 1, 1985, is performing obligated service under an agreement under section 311 of title 37, United States Code, that—

Supra.

(A) was executed after June 29, 1985; and

(B) is affected by the limitation in section 8091 of the Department of Defense Appropriations Act, 1985 (as contained in section 101(h) of Public Law 98-473),

98 Stat. 1940.

may execute a new agreement under section 302b of such title (as amended by subsection (a)).

Ante, p. 649.

(2) A dental officer may not execute a new agreement under paragraph (1) unless the amount that may be paid such officer under an agreement under section 302b of title 37, United States Code (as amended by subsection (a)), is greater than the amount to be paid the officer under the existing agreement of the officer under section 311 of such title.

Supra.

(3) In executing a written agreement under paragraph (1), the officer shall agree to remain on active duty for an additional length of time equal to or exceeding the length of time originally required by the existing agreement, beginning on the date the officer accepts the award of special pay under the new agreement.

(4) If a new agreement is executed under this subsection, the existing agreement of the officer shall be canceled.

(5) For the purposes of this section, the term “dental officer” has the meaning given that term in section 101 of title 10, United States Code.

(d) **SAVE PAY.**—(1) An officer described in paragraph (2) who, after September 30, 1985, is entitled to special pay under section 302b of title 37, United States Code (as amended by subsection (a)), shall be entitled to such pay in an annual amount that is not less than the total annual amount of dental continuation pay under section 311 of title 37, United States Code, and special pay for dental officers under section 302b of that title to which that officer was entitled on September 30, 1985.

37 USC 302b
note.

(2) Paragraph (1) applies to an officer who on September 30, 1985, is entitled to dental continuation pay under section 311 of title 37, United States Code; or to special pay for dental officers under section 302b of that title.

(e) **CLERICAL AMENDMENTS.**—The table of sections at the beginning of chapter 5 of such title is amended—

(1) by striking out the item relating to section 302b and inserting in lieu thereof the following:

“302b. Special pay: dental officers of the armed forces.”; and

(2) by striking out the item relating to section 311.

(f) **EFFECTIVE DATE.**—The amendments made by this section take effect on October 1, 1985.

37 USC 302b
note.

SEC. 640. SPECIAL PAY FOR MEDICAL OFFICERS

Section 302 of title 37, United States Code, is amended—

- (1) by striking out “is not” in subsection (h)(1)(B) and inserting in lieu thereof “who is”; and
- (2) by adding at the end thereof the following new subsection:
- “(i) A discharge in bankruptcy under title 11 that is entered less than 5 years after the termination of an agreement under this section does not discharge the person signing such agreement from a debt arising under such agreement or under paragraph (1) of this subsection. This paragraph applies to any case commenced under title 11 after September 30, 1985.”

SEC. 641. SPECIAL PAY FOR QUALIFIED ENLISTED MEMBERS EXTENDING DUTY AT CERTAIN LOCATIONS OVERSEAS

- (a) **INCREASE IN RATE OF MONTHLY SPECIAL PAY.**—Section 314(a) of title 37, United States Code, is amended by striking out “\$50” and inserting in lieu thereof “\$80”
- (b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect on October 1, 1985.

37 USC 314 note.

Subpart 2—Reserve Forces**SEC. 642. SELECTED RESERVE ENLISTMENT BONUS**

Section 308c of title 37, United States Code, is amended by striking out “September 30, 1985” in subsection (f) and inserting in lieu thereof “September 30, 1987”

SEC. 643. SELECTED RESERVE REENLISTMENT BONUS

(a) **INCREASE IN RATES; TWO-YEAR EXTENSION.**—Section 308b of title 37, United States Code, is amended—

(1) in subsection (b)—

(A) by striking out “\$450” and “\$900” in paragraph (1) and inserting in lieu thereof “\$1,250” and “\$2,500”, respectively; and

(B) by striking out “\$150” in paragraph (2) and inserting in lieu thereof “\$416.66”;

(2) by striking out “\$25” in subsection (d)(2) and inserting in lieu thereof “\$69.44”; and

(3) by striking out “September 30, 1985” in subsection (g) and inserting in lieu thereof “September 30, 1987”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on October 1, 1985.

37 USC 308b note.

SEC. 644. SELECTED RESERVE ENLISTMENT BONUS FOR PRIOR-SERVICE PERSONNEL

(a) **IN GENERAL.**—(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 308h the following new section:

37 USC 308i.

“§ 308i. Special pay: prior service enlistment bonus

“(a)(1) A person who is a former enlisted member of an armed force who enlists in the Selected Reserve of the Ready Reserve of an armed force for a period of three or six years in a critical military skill designated for such a bonus by the Secretary concerned and who meets the requirements of paragraph (2) may be paid a bonus as prescribed in subsection (b).

“(2) A bonus may only be paid under this section to a person who—

“(A) has completed his military service obligation but has less than 10 years of total military service;

“(B) has received an honorable discharge at the conclusion of military service;

“(C) is not being released from active service for the purpose of enlistment in a reserve component; and

“(D) has not previously been paid a bonus for enlistment, reenlistment, or extension of enlistment in a reserve component.

“(b) The bonus to be paid under subsection (a) shall be—

“(1) an initial payment of—

“(A) an amount not to exceed \$1,250, in the case of a member who enlists for a period of three years; or

“(B) an amount not to exceed \$2,500 in the case of a member who enlists for a period of six years; and

“(2) a subsequent payment of an amount not to exceed \$416.66 upon the completion of each year of the period of such reenlistment or extension of enlistment during which such member has satisfactorily participated in unit training.

“(c) A member may not be paid more than one bonus under this section.

“(d) A person who receives a bonus payment under this section and who fails during the period for which the bonus was paid to serve satisfactorily in the element of the Selected Reserve of the Ready Reserve with respect to which the bonus was paid shall refund to the United States an amount that bears the same relation to the amount of the bonus paid to such person as the period that such person failed to serve satisfactorily bears to the total period for which the bonus was paid.

“(e) An obligation to reimburse the United States imposed under subsection (d) of this section is, for all purposes, a debt owed to the United States.

“(f) Under regulations prescribed pursuant to subsection (h) of this section, the Secretary concerned may remit or cancel the whole or any part of an obligation to reimburse the United States imposed under subsection (d) of this section.

“(g) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an enlistment for which a bonus was paid under this section shall not discharge the person receiving such bonus payment from the debt arising under subsection (d) of this section. This subsection applies to any case commenced under title 11 after September 30, 1985.

“(h) This section shall be administered under regulations prescribed by the Secretary of Defense for the armed forces under his jurisdiction and by the Secretary of Transportation for the Coast Guard when the Coast Guard is not operating as a service in the Navy.

“(i) No bonus may be paid under this section to any person for an enlistment after September 30, 1987.”

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 308h the following new item:

“308i. Special pay: prior service enlistment bonus.”

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on October 1, 1985.

37 USC 308i
note.

SEC. 645. SELECTED RESERVE AFFILIATION BONUS

(a) **INCREASE AND EXTENSION.**—Section 308e of title 37, United States Code, is amended—

(1) by striking out “\$25” in subsection (c)(1) and inserting in lieu thereof “up to \$50 as determined by the Secretary concerned”; and

(2) by striking out “September 30, 1985” in subsection (e) and inserting in lieu thereof “September 30, 1987”.

37 USC 308e
note.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on October 1, 1985.

SEC. 646. INDIVIDUAL READY RESERVE BONUSES

37 USC 308g,
308h.

(a) **TWO-YEAR EXTENSION OF REENLISTMENT AND ENLISTMENT BONUSES.**—(1) Sections 308g(h) and 308h(g) of such title are amended by striking out “September 30, 1985” and inserting in lieu thereof “September 30, 1987”.

(b) **ENHANCED IRR BONUS FOR PERSONS WITH CRITICAL SKILLS.**—(1) Subsection (a)(1) of section 308h of title 37, United States Code, is amended by striking out “for a period of not less than three years” and inserting in lieu thereof “for a period of three years, or for a period of six years.”.

(2) Subsection (b) of such section is amended—

(A) by inserting “(1)” after “(b)”;

(B) by striking out “, except that” and all that follows and inserting in lieu thereof a period; and

(C) by adding at the end thereof the following new paragraphs:

“(2) The amount of a bonus under this section—

“(A) may not exceed \$1,500, in the case of a person who enlists for a period of six years; and

“(B) may not exceed \$750 in the case of a person who enlists for a period of three years.

“(3) A bonus paid under this section shall be paid as follows:

“(A) In the case of a bonus under paragraph (2)(A) of this subsection—

“(i) \$500 shall be paid at the time of the reenlistment, enlistment, or extension of enlistment for which the bonus is paid; and

“(ii) the remainder shall be paid in equal annual increments.

“(B) In the case of a bonus under paragraph (2)(B) of this subsection, the amount of the bonus shall be paid in equal annual increments.”.

(c) **AUTHORITY TO REQUIRE MUSTER OR DRILL FOR ENHANCED BONUS.**—Subsection (f) of such section is amended—

(1) by inserting “(1)” after “(f)”;

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

“(2) Regulations under this section may require that as a condition of receiving a bonus under this section the person receiving the bonus agree to participate in an annual muster of the Reserves, or in active duty for training, as may be required by the Secretary concerned.”.

37 USC 308h
note.

(d) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on October 1, 1985.

SEC. 647. SELECTED RESERVE HAZARDOUS DUTY INCENTIVE PAY

(a) **MODIFICATION OF COMPUTATION OF HAZARDOUS DUTY PAY FOR RESERVES.**—Section 301(f) of title 37, United States Code, relating to incentive pay for hazardous duty, is amended—

(1) by inserting “(1)” after “(f)”;

(2) by inserting “for the entire month” before the period at the end; and

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

“(2)(A) If in any calendar month a member performs duty as described in paragraph (1) of this subsection and while entitled to basic pay also performs hazardous duty as described in the same clause of subsection (a) as constitutes the predicate for his entitlement under paragraph (1) of this subsection, the earned units of measuring entitlement for incentive pay under this section shall be combined. If the sum of units determined under the preceding sentence equals or exceeds the minimum standard prescribed by the President for entitlement to pay specified under subsections (b) and (c) of this section for a member of corresponding grade who is entitled to basic pay for the entire relevant month, the member shall be entitled to an increase in compensation equal to 1/30 of the monthly incentive pay authorized by subsection (b) or (c) of this section for the performance of that hazardous duty by a member of corresponding grade who is entitled to basic pay for the entire month.

“(B) A member who qualifies for entitlement under this paragraph is entitled to the increase for each day in the relevant month in which he is entitled to basic pay pursuant to section 204 of this title or to compensation under section 206 of this title.

37 USC 204, 206.

“(C) In this paragraph, ‘units’ means the significant increments of performance prescribed as qualifying standards in regulations promulgated by the President pursuant to this section.”

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall apply to payments of incentive pay for hazardous duty performed after September 30, 1985.

37 USC 301 note.

PART D—HEALTH-CARE MATTERS**SEC. 651. CHAMPUS DENTAL CARE FOR ACTIVE-DUTY DEPENDENTS**

(a) **DENTAL BENEFITS FOR DEPENDENTS OF ACTIVE-DUTY MEMBERS.**—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1076 the following new section:

“§ 1076a. Dependents’ dental program

10 USC 1076a.

“(a)(1) The Secretary of Defense may establish dental benefit plans for spouses and children (as described in section 1072(2)(D) of this title) of members of the uniformed services who are on active duty for a period of more than 30 days. Any plan under this section shall provide for voluntary enrollment of participants and shall include provisions for premium-sharing between the Department of Defense and members enrolling in the program.

98 Stat. 2869.

10 USC 1072.

“(2) A plan under this section shall be administered under regulations prescribed by the Secretary of Defense in consultation with the other administering Secretaries.

“(b)(1) Members enrolling in a dental benefit plan established under subsection (a) shall be required to pay a share of the member’s premium.

“(2) The Secretary of Defense shall establish the amount of the premium to be paid by a member enrolled in a plan under this section.

“(c) A member’s share of the premium for a plan established under subsection (a) shall be paid by deductions from the basic pay of the member.

“(d) The dental benefits provided under such a plan may not include a benefit other than—

“(1) diagnostic, oral examination, and preventive services and palliative emergency care; and

“(2) basic restorative services of amalgam and composite restorations and stainless steel crowns for primary teeth, and dental appliance repairs.

“(e) Any such plan shall provide that a member whose spouse or child receives care under a plan established under this section—

“(1) may not be required to pay for any charge for care described in subsection (d)(1); and

“(2) shall be required to pay 20 percent of the charges for care described in subsection (d)(2).

“(f) If a member who is enrolled in a plan established under this section is transferred to a duty station where dental care is provided to the member’s spouse or children under a program other than a plan established under this section, the member may discontinue participation under the plan established under this section. If the member is later transferred to a station where dental care is not provided to such member’s spouse or children except under a plan established under this section, the member may re-enroll in such a plan.

Contract. “(g) The authority of the Secretary of Defense to enter into a contract under this section for any fiscal year is subject to the availability of appropriations for that purpose.”

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1076 the following new item:

“1076a. Dependents’ dental program.”

10 USC 1077. (b) CONFORMING AMENDMENT.—Section 1077 of such title is amended by adding at the end thereof the following new subsection:

Ante, p. 655. “(c) A dependent participating under a dental plan established under section 1076a of this title may not be provided dental care and care that is not covered by such plan.”

Contract. Prohibition. 10 USC 1076a note. (c) EFFECTIVE DATE.—The Secretary of Defense may not enter into a contract under section 1076a of title 10, United States Code, as added by subsection (a), or otherwise obligate funds under that section before September 30, 1986.

SEC. 652. ENHANCED HEALTH-CARE BENEFITS FOR SURVIVORS OF CERTAIN RESERVISTS

(a) MEDICAL AND DENTAL CARE IN FACILITIES OF THE UNIFORMED SERVICES.—Section 1076(a) of title 10, United States Code, is amended to read as follows:

“(a)(1) A dependent described in paragraph (2) is entitled, upon request, to the medical and dental care prescribed by section 1077 of this title in facilities of the uniformed services, subject to the availability of space and facilities and the capabilities of the medical and dental staff.

Supra.

“(2) A dependent referred to in paragraph (1) is a dependent of a member of a uniformed service—

“(A) who is on active duty for a period of more than 30 days or who died while on that duty; or

“(B) who died from an injury or illness incurred or aggravated—

“(i) while on active duty under a call or order to active duty of 30 days or less, on active duty for training, or on inactive duty training; or

“(ii) while traveling to or from the place at which the member is to perform, or has performed, such active duty, active duty for training, or inactive duty training.”

(b) CHAMPUS CARE.—Section 1086(c)(2) of such title is amended to read as follows: 10 USC 1086.

“(2) A dependent (other than a dependent covered by section 1072(2)(E) of this title) of a member of a uniformed service— 10 USC 1072.

“(A) who died while on active duty for a period of more than 30 days; or

“(B) who died from an injury or illness incurred or aggravated—

“(i) while on active duty under a call or order to active duty of 30 days or less, on active duty for training, or on inactive duty training; or

“(ii) while traveling to or from the place at which the member is to perform, or has performed, such active duty, active duty for training, or inactive duty training.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply only with respect to dependents of members of the uniformed services whose deaths occur after September 30, 1985. 10 USC 1076 note.

SEC. 653. LICENSURE REQUIREMENT FOR DEFENSE HEALTH-CARE PROFESSIONALS

(a) IN GENERAL.—(1) Chapter 55 of title 10, United States Code, is amended by adding at the end thereof the following new section:

“§1094. Licensure requirement for health-care professionals 10 USC 1094.

“(a)(1) A person under the jurisdiction of the Secretary of a military department may not provide health care independently as a health-care professional under this chapter unless the person has a current license to provide such care. Prohibition.

“(2) The Secretary of Defense may waive paragraph (1) with respect to any person in unusual circumstances. The Secretary shall prescribe by regulation the circumstances under which such a waiver may be granted. Regulation.

“(b) The commanding officer of each health care facility of the Department of Defense shall ensure that each person who provides health care independently as a health-care professional at the facility meets the requirement of subsection (a).

“(c)(1) A person (other than a person subject to chapter 47 of this title) who provides health care in violation of subsection (a) is subject to a civil money penalty of not more than \$5,000. 37 USC 801 et seq.

“(2) The provisions of subsections (b) and (d) through (g) of section 1128A of the Social Security Act (42 U.S.C. 1320a-7a) shall apply to the imposition of a civil money penalty under paragraph (1) in the same manner as they apply to the imposition of a civil money penalty under that section, except that for purposes of this subsection—

“(A) a reference to the Secretary in that section is deemed a reference to the Secretary of Defense; and

“(B) a reference to a claimant in subsection (e) of that section is deemed a reference to the person described in paragraph (1).

“(d) In this section:

“(1) ‘License’—

“(A) means a grant of permission by an official agency of a State, the District of Columbia, or a Commonwealth, territory, or possession of the United States to provide health care independently as a health-care professional; and

“(B) includes, in the case of such care furnished in a foreign country by any person who is not a national of the United States, a grant of permission by an official agency of that foreign country for that person to provide health care independently as a health-care professional.

“(2) ‘Health-care professional’ means a physician, dentist, clinical psychologist, or nurse and any other person providing direct patient care as may be designated by the Secretary of Defense in regulations.”

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

“1094. Licensure requirement for health-care professionals.”

10 USC 1094
note.

(b) **TRANSITION.**—Section 1094 of title 10, United States Code, as added by subsection (a), does not apply during the three-year period beginning on the date of the enactment of this Act with respect to the provision of health care by any person who on the date of the enactment of this Act is a member of the Armed Forces.

SEC. 654. STUDY OF MEDICAL CASUALTY INVESTIGATIONS

(a) **IN GENERAL.**—The Secretary of Defense shall study the procedures used by the military departments for medical casualty investigations relating to members of the Armed Forces who die or are seriously injured while on active duty.

(b) **SCOPE OF STUDY.**—The study by the Secretary under subsection (a) shall include consideration of the following:

(1) The need, and appropriate standards, for uniform policies of the military departments with respect to autopsies of members of the Armed Forces who die while on active duty, taking into account religious sensibilities of members and their families.

(2) The need, and appropriate standards, for a policy of the Department of Defense with respect to independent review of autopsies, and other aspects of medical casualty investigations, conducted by the Armed Forces, including the appropriate role of the Armed Forces Institute of Pathology.

(3) Appropriate policies and procedures for retaining, in safekeeping, all medical investigative materials (including photographs, specimens, slide and other records of any autopsy) and, to the extent not inconsistent with national security, making such materials available to survivors of members of the Armed Forces who die while on active duty.

(4) The desirability of establishing an independent board of medical examination in the Department of Defense, to consist of five or more practitioners of medicine who are recognized experts in the investigation of causes of death, with the function

of advising the Secretary of Defense on the operation of the Armed Forces Institute of Pathology and on the reliability and independence of the Institute's investigations of military casualties.

(c) **REPORT.**—(1) The Secretary of Defense shall submit to Congress a report on the results of the study under subsection (a). The report shall include—

(A) the Secretary's findings and recommendations;

(B) an analysis and description of all actions taken by the Department of Defense to implement any such recommendation; and

(C) the Secretary's recommendations with respect to any legislation needed to implement any such recommendation.

(2) The report shall be submitted not later than one year after the date of the enactment of this Act.

PART E—MILITARY RETIREMENT

SEC. 666. LIMITATION ON AMOUNTS AVAILABLE FOR OBLIGATION FOR BASIC PAY AND FOR RETIRED PAY ACCRUAL CHARGE

From amounts appropriated or otherwise available to the Department of Defense for military personnel accounts for fiscal year 1986, the total amount obligated from each such account for military basic pay and payments into the Department of Defense Military Retirement Fund pursuant to section 1466(a) of title 10, United States Code, may not exceed the following:

(1) For the Department of the Army—

(A) for payments from the appropriation account "Military Personnel, Army", \$15,951,800,000;

(B) for payments from the appropriation account "Reserve Personnel, Army", \$1,595,500,000; and

(C) for payments from the appropriation account "National Guard Personnel, Army", \$2,503,600,000.

(2) For the Department of the Navy—

(A) for payments from the appropriation account "Military Personnel, Navy", \$11,689,900,000;

(B) for payments from the appropriation account "Military Personnel, Marine Corps", \$3,659,600,000;

(C) for payments from the appropriation account "Reserve Personnel, Navy", \$939,300,000; and

(D) for payments from the appropriation account "Reserve Personnel, Marine Corps", \$202,200,000.

(3) For the Department of the Air Force—

(A) for payments from the appropriation account "Military Personnel, Air Force", \$13,533,500,000;

(B) for payments from the appropriation account "Reserve Personnel, Air Force", \$437,300,000; and

(C) for payments from the appropriation account "National Guard Personnel, Air Force", \$754,500,000.

SEC. 667. LEGISLATIVE PROPOSAL TO AMEND MILITARY RETIREMENT SYSTEM FOR NEW ENTRANTS

(a) **REQUIREMENT FOR SUBMISSION OF LEGISLATIVE PROPOSAL MAKING CHANGES IN MILITARY RETIREMENT SYSTEM.**—(1) Not later than September 15, 1985, the Secretary of Defense shall submit to Congress a report (including draft legislation) proposing two separate sets of changes in the military nondisability retirement system.

Report.

(2)(A) Each of the sets of changes to be proposed in the report under paragraph (1) shall include changes which, if enacted, would result in reductions in the amount required to be paid by the Secretary of Defense into the Department of Defense Military Retirement Fund pursuant to section 1466(a) of title 10, United States Code, during fiscal year 1986 in a total amount that would enable the Department of Defense to remain within the limits on obligations for basic pay and payments into such Fund prescribed by section 666 solely through such reductions.

(B) One of the sets of changes to be proposed in such report shall consist only of changes in the military retirement system other than changes in the procedure for periodic cost-of-living adjustments in retired or retainer pay which, if enacted, would result in the required reductions.

(3) Structural changes in the military retirement system to be proposed by the Secretary of Defense in either set of changes proposed in the report under paragraph (1)—

(A) should apply only to individuals who initially become members of the Armed Forces after the effective date of such changes; and

(B) should, to the maximum extent possible and consistent with military requirements, encourage members who are eligible for retirement to remain on active duty beyond 20 years of service.

Report.

(4) At the same time the Secretary of Defense submits the report required by paragraph (1), the Secretary shall submit separate reports on the following:

(A) The anticipated effects that the changes proposed in the report under paragraph (1) would have on recruiting and retention in the Armed Forces.

(B) Proposals for additional changes in other elements of the military compensation system or in other military personnel programs, including changes in promotion and retention policies.

(C) A description of the changes in military retirement, compensation, or personnel programs that would be necessary if the reductions resulting from the funding limitations set forth in section 666 were \$1,800,000,000, \$2,900,000,000, \$3,600,000,000, \$4,000,000,000, or \$5,400,000,000, as well as an evaluation of the effects such changes would have on recruiting and retention in the Armed Forces.

(D) A plan that could be used to implement over a period of four or more years the changes proposed in the report under paragraph (1).

(b) SPECIFICATION OF ACTUARIAL METHODS AND ASSUMPTIONS FOR FY86 RETIREMENT LEGISLATION.—In determining the cost, or the amount to be saved, as the result of the enactment of any legislative proposal that would make changes in the military retirement system effective during fiscal year 1985 or 1986, the actuarial methods and assumptions used shall be the same as those approved by the Board of Actuaries (in accordance with section 1465(d) of title 10, United States Code) for use in calculating the military retirement accrual percentage for the President's budget for fiscal year 1986.

(c) RECALCULATION OF ACCRUAL PERCENTAGE UPON CHANGE IN BENEFITS.—(1) If a significant change in the military retirement system is enacted into law that takes effect during fiscal year 1985 or 1986, the accrual percentage shall be recalculated taking into

account that change in law. Any such recalculation shall be made using the actuarial methods and assumptions described in subsection (b).

(2) In making determinations under section 1466(a) of title 10, United States Code, for months during fiscal years 1985 and 1986 beginning on or after the effective date of any such change in law, the accrual percentage as recalculated under paragraph (1) shall be used in lieu of the accrual percentage that would otherwise be applicable.

(d) **DEFINITION OF ACCRUAL PERCENTAGE.**—For purposes of this section, the term “accrual percentage” means the single level percentage of basic pay determined under section 1465(c)(1) of title 10, United States Code, for the purposes of computations under sections 1465(b) and 1466(a) of that title.

98 Stat. 2623.

PART F—EDUCATIONAL ASSISTANCE PROGRAMS

SEC. 671. DEPARTMENT OF DEFENSE EDUCATIONAL LOAN REPAYMENT PROGRAMS

(a) **CODIFICATION OF SECTION 902 PROGRAM.**—(1) Part III of subtitle A of title 10, United States Code, is amended by adding at the end thereof the following new chapter:

10 USC prec. 2001.

“CHAPTER 109—EDUCATIONAL LOAN REPAYMENT PROGRAMS

“Sec.

“2171. General educational loan repayment program.

“2172. Education loans for certain health professionals who serve in the Selected Reserve.

“§ 2171. General educational loan repayment program

10 USC 2171.

“(a)(1) Subject to the provisions of this section, the Secretary of Defense may repay—

“(A) any loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.); or

“(B) or any loan made under part E of such title (20 U.S.C. 1087aa et seq.).

Repayment of any such loan shall be made on the basis of each complete year of service performed by the borrower.

“(2) The Secretary may repay loans described in paragraph (1) in the case of any person for—

“(A) service performed—

“(i) as an enlisted member of the Selected Reserve of the Ready Reserve of an armed force; and

“(ii) in a reserve component and military specialty specified by the Secretary of Defense; or

“(B) service performed on active duty as an enlisted member in a military specialty specified by the Secretary.

In the case of service described in clause (A) of the first sentence of this paragraph, the Secretary may repay a loan described in paragraph (1) only if the person to whom the loan was made performed such service after the loan was made.

“(b) The portion or amount of a loan that may be repaid under subsection (a) is—

“(1) 15 percent or \$500, whichever is greater, for each year of service, in the case of service described in subsection (a)(2)(A); or
 “(2) 33½ percent or \$1,500, whichever is greater, for each year of service, in the case of service described in subsection (a)(2)(B).

“(c) If a portion of a loan is repaid under this section for any year, interest on the remainder of such loan shall accrue and be paid in the same manner as is otherwise required.

“(d) Nothing in this section shall be construed to authorize refunding any repayment of a loan.

“(e) Any individual who transfers from service described in clause (A) or (B) of subsection (a)(2) to service described in the other clause of such subsection during a year shall be eligible to have repaid a portion of such loan determined by giving appropriate fractional credit for each portion of the year so served, in accordance with regulations of the Secretary concerned.

Regulation.

“(f) The Secretary of Defense shall, by regulation, prescribe a schedule for the allocation of funds made available to carry out the provisions of this section during any year for which funds are not sufficient to pay the sum of the amounts eligible for repayment under subsection (a).

10 USC 2172.

“§ 2172. Education loans for certain health professionals who serve in the Selected Reserve

“(a) Under regulations prescribed by the Secretary of Defense and subject to the other provisions of this section, the Secretary concerned may repay—

“(1) a portion of a loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.);

“(2) a loan made under part E of such title (20 U.S.C. 1087aa et seq.) after October 1, 1975; and

“(3) a health education assistance loan made or insured under part C of title VII of the Public Health Service Act (42 U.S.C. 294 et seq.).

“(b) The Secretary concerned may repay loans described in subsection (a) only in the case of a person who—

“(1) performs satisfactory service as an officer in the Selected Reserve of an armed force; and

“(2) possesses professional qualifications in a health profession that the Secretary of Defense has determined to be needed critically in order to meet identified wartime combat medical skill shortages.

“(c)(1) The amount of any repayment of a loan made under this section on behalf of any person shall be determined on the basis of each complete year of service that is described in subsection (b)(1) and performed by the person after the date on which the loan was made.

“(2) Subject to paragraph (3), the portion of a loan that may be repaid under this section on behalf of any person may not exceed \$3,000 for each year of service described in paragraph (1).

“(3) The total amount that may be repaid on behalf of any person under this section may not exceed \$20,000.

“(d) The authority provided in this section shall apply only in the case of a person first appointed as a commissioned officer before October 1, 1988.”

(2) The tables of chapters at the beginning of subtitle A of such title and at the beginning of part III of such subtitle are amended by inserting after the item relating to chapter 108 the following new item:

“109. Educational Loan Repayment Programs..... 2171”.

(3) Section 902 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2141 note), is repealed.

(b) PERSONS TO WHOM APPLICABLE.—(1) The authority provided under section 2171 of title 10, United States Code, as added by subsection (a), shall apply only—

(A) in the case of persons who enlist or reenlist in the Selected Reserve of the Ready Reserve of an Armed Force or enlist or reenlist for service on active duty after September 30, 1980;

(B) with respect to service performed after that date; and

(C) with respect to loans made after October 1, 1975.

(2) The authority provided under section 2172 of title 10, United States Code, as added by subsection (a), shall apply only—

(A) in the case of a person who is first appointed as a commissioned officer of an Armed Force after September 30, 1985; and

(B) with respect to service performed after that date.

98 Stat. 2572.
10 USC 2171
note.
Ante, p. 661.

10 USC 2172
note.
Ante, p. 662.

SEC. 672. SPECIALIZED TRAINING ASSISTANCE IN THE HEALTH PROFESSION FOR MEMBERS OF RESERVE COMPONENTS

(a) AUTHORIZATION OF PROGRAM.—The Secretary of each military department, under regulations prescribed by the Secretary of Defense, may establish and maintain a program to provide financial assistance to persons engaged in specialized training in the health professions.

10 USC 2121
note.

(b) ELIGIBILITY REQUIREMENTS.—To be eligible for financial assistance under this section, a person must be—

10 USC 2121
note.

(1) a commissioned officer in the Selected Reserve of a reserve component of the Armed Forces; and

(2) engaged in a course of specialized training (approved by the Secretary of the military department concerned) in a health profession.

(c) AMOUNT OF ASSISTANCE.—A person participating in the program provided for under this section shall be entitled to a monthly stipend at the rate paid, on October 1, 1985, to persons participating in the Armed Forces Health Professions Scholarship Program under chapter 105 of title 10, United States Code. That rate shall be increased annually by the Secretary of Defense effective on July 1 of each year by an amount (rounded to the next highest multiple of \$1) equal to—

10 USC 2121
note.

10 USC 2120 *et seq.*

(1) the amount of such stipend (as previously adjusted (if at all)), multiplied by

(2) the overall percentage of the adjustment (if such adjustment is an increase) in the rates of basic pay for members of the uniformed services made effective for the fiscal year in which the school year ends.

(d) QUALIFICATIONS.—To be eligible for participation in the program provided for in this section, a person must be a citizen of the United States and must—

10 USC 2121
note.

(1) be qualified in a health profession as required in regulations prescribed by the Secretary of Defense;

(2) sign an agreement that, unless sooner separated, the participant will—

(A) complete the specialized program of training approved by the Secretary of the military department concerned; and

(B) meet such other requirements as the Secretary concerned may prescribe.

10 USC 2121
note.

(e) **SELECTED RESERVE OBLIGATION.**—A member who participates in a program provided for under this section incurs a Selected Reserve obligation of three years for each year or part thereof for which financial assistance is provided under this section.

10 USC 2121
note.

(f) **FAILURE TO COMPLETE PROGRAM OF TRAINING.**—(1) A member of the program who, under regulations prescribed by the Secretary of Defense, is dropped from the program for deficiency in training, or for other reasons, shall be required, at the discretion of the Secretary concerned—

(A) to perform one year of active duty for each year (or part thereof) for which such person was provided financial assistance under this section; or

(B) repay the United States an amount equal to the total amount paid to such person under the program.

(2) The Secretary of a military department, under regulations prescribed by the Secretary of Defense, may relieve a member participating in the program who is dropped from the program from any requirement that may be imposed under paragraph (1), but such relief shall not relieve him from any military obligation imposed by any other law.

10 USC 2121
note.

(g) **LIMITATIONS ON NUMBER OF PARTICIPANTS.**—The number of persons who may be provided financial assistance under this section at any one time, when added to the total number of persons who are participating in the scholarship program provided for under chapter 105 of title 10, United States Code, at any time, may not exceed 6,000.

10 USC 2120 *et*
seq.

10 USC 2121
note.

(h) **DEFINITION.**—For the purposes of this section, the term “specialized course of training” means a course of advanced training—

(1) in a health profession; and

(2) designated by the Secretary of the military department concerned to be training in a health profession skill critically needed by the military department concerned.

(i) **CHANGE IN NUMBER OF PERSONS AUTHORIZED TO RECEIVE FINANCIAL ASSISTANCE.**—Section 2124 of title 10, United States Code, is amended by striking out “5,000” and inserting in lieu thereof “6,000”.

10 USC 2124
note.

(j) **EFFECTIVE DATE.**—This section shall take effect on October 1, 1985.

SEC. 673. RIGHT OF MEMBERS OF NAVAL SERVICE TO TRANSFER CERTAIN EDUCATIONAL ENTITLEMENT TO SPOUSE OR DEPENDENT CHILDREN

Section 2147(a)(1) of title 10, United States Code, is amended—

(1) by inserting “(A)” after “(a)(1)”;

(2) by striking out the second sentence; and

(3) by adding at the end thereof the following:

“(B) The Secretary of the Navy may authorize a member of the Navy or Marine Corps who is entitled to educational assistance under section 2142 of this title and whose enlistment that established such entitlement was the member’s second reenlistment as a member of the armed forces to transfer all or part of such entitle-

10 USC 2142.

ment to the spouse or dependent child of such member after the completion of four years of active service of that second reenlistment if that reenlistment was for a period of at least six years.

“(C) A transfer under this paragraph may be revoked at any time by the person making the transfer.”

SEC. 674. CHANGES IN ELIGIBILITY REQUIREMENTS FOR THE ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE PROGRAM

Chapter 30 of title 38, United States Code, is amended—

(1) in section 1411(a)(1)(B), by striking out “and without a break in service on active duty since December 31, 1976,”; and

(2) in section 1412(a)(1)(B), by striking out “and without a break in service on active duty since December 31, 1976,”

98 Stat. 2554.

38 USC 1411.

98 Stat. 2555.

38 USC 1412.

PART G—MISCELLANEOUS

SEC. 681. LEGAL REPRESENTATION OF CIVILIANS OVERSEAS

(a) **IN GENERAL.**—Section 1037(a) of title 10, United States Code, is amended by striking out the period at the end of the first sentence and inserting in lieu thereof “and of persons not subject to the Uniform Code of Military Justice who are employed by or accompanying the armed forces in an area outside the United States and the territories and possessions of the United States, the Northern Mariana Islands, and the Commonwealth of Puerto Rico.”

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply with respect to costs incurred after September 30, 1985.

10 USC 1037
note.

SEC. 682. ACCRUED LEAVE

Section 501 of title 37, United States Code, is amended by striking out “September 1, 1976” in subsections (b)(3) and (f) and inserting in lieu thereof “February 9, 1976”

SEC. 683. PAY ALLOTMENTS FOR NAVY AND MARINE CORPS

(a) **STANDARDIZATION OF NAVAL SERVICE PAY ALLOTMENTS WITH ARMY AND AIR FORCE.**—(1) Section 701 of title 37, United States Code, is amended—

(A) by striking out “of the Army or the Air Force” in subsections (a), (c), and (d)(1) and inserting in lieu thereof “of the Army, Navy, Air Force, or Marine Corps”;

(B) by striking out “of the Army or the Air Force” in subsections (b) and (d)(2) and inserting in lieu thereof “of the Army, Navy, or Air Force”; and

(C) by striking out “Secretary of the Army or the Secretary of the Air Force, as the case may be” in subsections (a) and (d) and inserting in lieu thereof “Secretary of the military department concerned”.

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

“§ 701. Members of the Army, Navy, Air Force, and Marine Corps; contract surgeons”.

(3) The item relating to such section in the table of sections in the beginning of chapter 13 of such title is amended to read as follows:

“701. Members of the Army, Navy, Air Force, and Marine Corps; contract surgeons.”

(b) **CONFORMING AMENDMENTS.**—(1) Sections 702, 705, and 805 of such title are repealed.

Repeal.

37 USC 702, 705,
805.

(2) The table of sections at the beginning of chapter 13 of such title is amended by striking out the items relating to sections 702 and 705.

(3) The table of sections at the beginning of chapter 15 of such title is amended by striking out the item relating to section 805.

SEC. 684. EXTENSION TO PHS AND NOAA OF AUTHORITY TO COLLECT DEBTS FROM PAY OF MEMBERS

98 Stat. 2613. Section 1007(c) of title 37, United States Code, is amended by striking out “armed forces” and inserting in lieu thereof “uniformed services”.

SEC. 685. SURCHARGE FOR SALES AT ANIMAL DISEASE PREVENTION AND CONTROL CENTERS

10 USC 133 note. (a) **REQUIRED SURCHARGE.**—The Secretary of Defense shall require that each time a sale is recorded at a military animal disease prevention and control center the person to whom the sale is made shall be charged a surcharge of \$2.

(b) **DEPOSIT OF RECEIPTS IN TREASURY.**—Amounts received from surcharges under this section shall be deposited in the Treasury in accordance with section 3302 of title 31.

10 USC 133 note. (c) **CONFORMING AMENDMENT.**—Section 1033 of the Department of Defense Authorization Act, 1984 (Public Law 98-94; 97 Stat. 672), is repealed.

10 USC 133 note. (d) **EFFECTIVE DATE.**—This section shall take effect on October 1, 1985.

TITLE VII—SURVIVOR BENEFIT PLAN IMPROVEMENTS

Survivor Benefit Plan Amendments of 1985.
10 USC 1447 note.

SEC. 701. SHORT TITLE

This title may be cited as the “Survivor Benefit Plan Amendments of 1985”.

PART A—GENERAL PROGRAM CHANGES

SEC. 711. ESTABLISHMENT OF TWO-TIER BENEFIT SYSTEM AND ELIMINATION OF SOCIAL SECURITY OFFSET

(a) **REVISION IN SBP ANNUITY COMPUTATION.**—Section 1451 of title 10, United States Code, is amended to read as follows:

“§ 1451. Amount of annuity

10 USC 1450. “(a)(1) In the case of a standard annuity provided to a beneficiary under section 1450(a) of this title (other than under section 1450(a)(4)), the monthly annuity payable to the beneficiary shall be determined as follows:

“(A) If the beneficiary is under 62 years of age when becoming entitled to the annuity, the monthly annuity shall be the amount equal to 55 percent of the base amount (as the base amount is adjusted from time to time under subsection 1401a of this title).

10 USC 1401a.

“(B) If the beneficiary is 62 years of age or older when becoming entitled to the annuity, the monthly annuity shall be the amount equal to 35 percent of the base amount (as the base amount is adjusted from time to time under section 1401a of this title). However, if the beneficiary is eligible to have the

annuity computed under subsection (e) and if, at the time the beneficiary becomes entitled to the annuity, computation of the annuity under that subsection is more favorable to the beneficiary, the annuity shall be computed under that subsection.

“(2) In the case of a reserve-component annuity provided to a beneficiary under section 1450(a) of this title (other than under section 1450(a)(4)), the monthly annuity payable to the beneficiary shall be determined as follows:

10 USC 1450.

“(A) If the beneficiary is under 62 years of age when becoming entitled to the annuity, the monthly annuity shall be the amount equal to a percentage of the base amount (as the base amount is adjusted from time to time under section 1401a of this title) that—

10 USC 1401a.

“(i) is less than 55 percent; and

“(ii) is determined under subsection (f).

“(B) If the beneficiary is 62 years of age or older when becoming entitled to the annuity, the monthly annuity shall be the amount equal to a percentage of the base amount (as the base amount is adjusted from time to time under section 1401a of this title) that—

“(i) is less than 35 percent; and

“(ii) is determined under subsection (f).

However, if the beneficiary is eligible to have the annuity computed under subsection (e) and if, at the time the beneficiary becomes entitled to the annuity, computation of the annuity under that subsection is more favorable to the beneficiary, the annuity shall be computed under that subsection.

“(b)(1) In the case of a standard annuity provided to a beneficiary under section 1450(a)(4) of this title, the monthly annuity payable to the beneficiary shall be the amount equal to 55 percent of the retired pay of the person who elected to provide the annuity after the reduction in that pay in accordance with section 1452(c) of this title.

10 USC 1452.

“(2) In the case of a reserve-component annuity provided to a beneficiary under section 1450(a)(4) of this title, the monthly annuity payable to the beneficiary shall be the amount equal to a percentage of the retired pay of the person who elected to provide the annuity after the reduction in such pay in accordance with section 1452(c) of this title that—

“(A) is less than 55 percent; and

“(B) is determined under subsection (f).

“(3) For the purposes of paragraph (2), a person—

“(A) who provides an annuity that is determined in accordance with that paragraph;

“(B) who dies before becoming 60 years of age; and

“(C) who at the time of death is otherwise entitled to retired pay,

shall be considered to have been entitled to retired pay at the time of death. The retired pay of such person for the purposes of such paragraph shall be computed on the basis of the rates of basic pay in effect on the date on which the annuity provided by such person is to become effective in accordance with the designation of such person under section 1448(e) of this title.

10 USC 1448.

“(c)(1) In the case of an annuity provided under section 1448(d) or 1448(f) of this title, the amount of the annuity shall be determined as follows:

Post, pp.
670, 671.

“(A) If the person receiving the annuity is under 62 years of age when the member or former member dies, the monthly annuity shall be the amount equal to 55 percent of the retired pay to which the member or former member would have been entitled if the member or former member had been entitled to that pay based upon his years of active service when he died.

“(B) If the person receiving the annuity is 62 years of age or older when the member or former member dies, the monthly annuity shall be the amount equal to 35 percent of the retired pay to which the member or former member would have been entitled if the member or former member had been entitled to that pay based upon his years of active service when he died. However, if the beneficiary is eligible to have the annuity computed under subsection (e) and if, at the time the beneficiary becomes entitled to the annuity, computation of the annuity under that subsection is more favorable to the beneficiary, the annuity shall be computed under that subsection.

98 Stat. 38, 2736. “(2) An annuity computed under paragraph (1) that is paid to a surviving spouse shall be reduced by the amount of dependency and indemnity compensation to which the surviving spouse is entitled under section 411(a) of title 38. Any such reduction shall be effective on the date of the commencement of the period of payment of such compensation under title 38.

Post, p. 670. “(3) In the case of an annuity provided by a member described in section 1448(d)(1)(C) of this title, the retired pay to which the member would have been entitled when he died shall be determined based upon the rate of basic pay in effect at the time of death for the highest grade other than a commissioned officer grade in which the member served on active duty satisfactorily, as determined by the Secretary concerned.

Post, p. 671. “(4) In the case of an annuity paid under section 1448(f) of this title, the retired pay of the person providing the annuity shall for the purposes of paragraph (1) be computed on the basis of the rates of basic pay in effect on the effective date of the annuity.

“(d)(1) The annuity of a person whose annuity is computed under clause (A) of subsection (a)(1), (a)(2), or (c)(1) shall be reduced on the first day of the month after the month in which the person becomes 62 years of age.

“(2)(A) Except as provided in subparagraph (B), the reduced amount of the annuity shall be the amount of the annuity that the person would be receiving on that date if the annuity had initially been computed under clause (B) of that subsection.

“(B) In the case of a person eligible to have the annuity computed under subsection (e) and for whom, at the time the person becomes 62 years of age, an annuity computed with a reduction under subsection (e)(3) is more favorable than an annuity with a reduction described in subparagraph (A), the reduction in the annuity shall be computed in the same manner as a reduction under subsection (e)(3).

“(e)(1) The following beneficiaries under the plan are eligible to have an annuity under the Plan computed under this subsection:

“(A) A beneficiary receiving an annuity under the Plan on October 1, 1985, as the widow or widower of the person providing the annuity.

“(B) A spouse beneficiary of a person who on October 1, 1985—

“(i) is a participant in the Plan;

“(ii) is entitled to retired pay or is qualified for that pay except that he has not applied for and been granted that pay; or

“(iii) would be eligible for retired pay under chapter 67 of this title but for the fact that he is under 60 years of age.

10 USC 1331 *et seq.*

“(2) Subject to paragraph (3), an annuity computed under this subsection shall be determined as follows:

“(A) In the case of a beneficiary of a standard annuity under section 1450(a) of this title, the annuity shall be the amount equal to 55 percent of the base amount (as the base amount is adjusted from time to time under section 1401a of this title).

10 USC 1450.

10 USC 1401a.

“(B) In the case of a beneficiary of a reserve-component annuity under section 1450(a) of this title, the annuity shall be the percentage of the base amount (as the base amount is adjusted from time to time under section 1401a of this title) that—

“(i) is less than 55 percent; and

“(ii) is determined under subsection (f).

“(C) In the case of a beneficiary of an annuity under section 1448(d) or 1448(f) of this title, the annuity shall be the amount equal to 55 percent of the retired pay of the person providing the annuity (as that pay is determined under subsection (c)).

Post, pp. 670, 671.

“(3) An annuity computed under this subsection shall be reduced by the lesser of—

“(A) the amount of the survivor benefit, if any, to which the widow or widower would be entitled under title II of the Social Security Act (42 U.S.C. 401 *et seq.*) based solely upon service by the person concerned as described in section 210(l)(1) of such Act (42 U.S.C. 410(l)(1)) and calculated assuming that the person concerned lives to age 65; or

“(B) 40 percent of the amount of the monthly annuity as determined under paragraph (2).

“(4)(A) For the purpose of paragraph (3), a widow or widower shall not be considered as entitled to a benefit under title II of the Social Security Act (42 U.S.C. 401 *et seq.*) to the extent that such benefit has been offset by deductions under section 203 of such Act (42 U.S.C. 403) on account of work.

“(B) In the computation of any reduction made under paragraph (3), there shall be excluded any period of service described in section 210(l)(1) of the Social Security Act (42 U.S.C. 410(l)(1))—

“(i) which was performed after December 1, 1980; and

“(ii) which involved periods of service of less than 30 continuous days for which the person concerned is entitled to receive a refund under section 6413(c) of the Internal Revenue Code of 1954 of the social security tax which the person had paid.

26 USC 6413.

“(f) The percentage to be applied in determining the amount of an annuity computed under subsection (a)(2), (b)(2), or (e)(2)(B) shall be determined under regulations prescribed by the Secretary of Defense. Such regulations shall be prescribed taking into consideration—

“(1) the age of the person electing to provide the annuity at the time of such election;

“(2) the difference in age between such person and the beneficiary of the annuity;

“(3) whether such person provided for the annuity to become effective (in the event he died before becoming 60 years of age)

on the day after his death or on the 60th anniversary of his birth;

“(4) appropriate group annuity tables; and

“(5) such other factors as the Secretary considers relevant.

10 USC 1401a.

“(g)(1) Whenever retired pay is increased under section 1401a of this title (or any other provision of law), each annuity that is payable under the Plan shall be increased at the same time by the same total percent. The amount of the increase shall be based on the monthly annuity payable before any reduction under section 1450(c) of this title or under subsection (c)(2).

10 USC 1450.

“(2) The monthly amount of an annuity payable under this subchapter, if not a multiple of \$1, shall be rounded to the next lower multiple of \$1.”

Repeal.

10 USC 1451
and note.

(b) **CONFORMING AMENDMENT.**—Section 641 of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2545), is repealed, effective as of September 1, 1985.

10 USC 1448
note.

(c) **OPTION FOR CERTAIN PARTICIPANTS TO WITHDRAW.**—A person who during the period beginning on October 19, 1984, and ending on the date of the enactment of this Act became a participant in the Survivor Benefit Plan under subchapter II of chapter 73 of title 10, United States Code, may elect to withdraw from the Plan before the end of the one-year period beginning on the date of the enactment of this Act. Any person who makes a withdrawal shall be paid the amount of the contributions by such person under the Plan, plus interest on such amount as determined by the Secretary of Defense.

10 USC 1447 *et*
seq.

SEC. 712. SBP COVERAGE FOR MEMBERS WHO DIE AFTER 20 YEARS OF SERVICE

(a) **IN GENERAL.**—Section 1448(d) of title 10, United States Code, is amended to read as follows:

“(d)(1) The Secretary concerned shall pay an annuity under this subchapter to the surviving spouse of a member who dies on active duty after—

“(A) becoming eligible to receive retired pay;

“(B) qualifying for retired pay except that he has not applied for or been granted that pay; or

“(C) completing 20 years of active service but before he is eligible to retire as a commissioned officer because he has not completed 10 years of active commissioned service.

“(2) The Secretary concerned shall pay an annuity under this subchapter to the dependent child of a member described in paragraph (1) if the member and the member’s spouse die as a result of a common accident.

“(3) If a member described in paragraph (1) is required under a court order or spousal agreement to provide an annuity to a former spouse upon becoming eligible to be a participant in the Plan or has made an election under subsection (b) to provide an annuity to a former spouse, the Secretary—

“(A) may not pay an annuity under paragraph (1) or (2); but

“(B) shall pay an annuity to that former spouse as if the member had been a participant in the Plan and had made an election under subsection (b) to provide an annuity to the former spouse, or in accordance with that election, as the case may be, if the Secretary receives a written request from the former spouse concerned that the election be deemed to have been made in the same manner as provided in section 1450(f)(3) of this title.

98 Stat. 2548.

“(4) An annuity that may be provided under this subsection shall be provided in preference to an annuity that may be provided under any other provision of this subchapter on account of service of the same member.

“(5) The amount of an annuity under this subsection is computed under section 1451(c) of this title.”

(b) **PERSONS COVERED.**—(1) Section 1448(d) of title 10, United States Code, as amended by subsection (a), applies to the surviving spouse and dependent children of a person who dies on active duty after September 20, 1972, and the former spouse of a person who dies after September 7, 1982.

(2) In the case of the surviving spouse and children of a person who dies during the period beginning on September 21, 1972, and ending on October 1, 1985, the Secretary concerned shall take appropriate steps to locate persons eligible for an annuity under section 1448(d) of title 10, United States Code, as amended by subsection (a). Any such person must submit an application to the Secretary for such an annuity before October 1, 1988, to be eligible to receive such annuity. Any such annuity shall be effective only for months after the month in which the Secretary receives such application.

SEC. 713. ANNUITY FOR SURVIVORS OF CERTAIN RETIREMENT-ELIGIBLE RESERVISTS

(a) **ELIGIBILITY.**—Section 1448 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

“(f)(1) The Secretary concerned shall pay an annuity under this subchapter to the surviving spouse of a person who is eligible to provide a reserve-component annuity and who dies—

“(A) before being notified under section 1331(d) of this title that he has completed the years of service required for eligibility for retired pay under chapter 67 of this title; or

“(B) during the 90-day period beginning on the date he receives notification under section 1331(d) of this title that he has completed the years of service required for eligibility for retired pay under chapter 67 of this title if he had not made an election under subsection (a)(2)(B) to participate in the Plan.

“(2) The Secretary concerned shall pay an annuity under this subchapter to the dependent child of a person described in paragraph (1) if the person and the person’s spouse die as a result of a common accident.

“(3) If a person described in paragraph (1) is required under a court order or spousal agreement to provide an annuity to a former spouse upon becoming eligible to be a participant in the Plan or has made an election under subsection (b) to provide an annuity to a former spouse, the Secretary—

“(A) may not pay an annuity under paragraph (1) or (2); but

“(B) shall pay an annuity to that former spouse as if the person had been a participant in the Plan and had made an election under subsection (b) to provide an annuity to the former spouse, or in accordance with that election, as the case may be, if the Secretary receives a written request from the former spouse concerned that the election be deemed to have been made in the same manner as provided in section 1450(f)(3) of this title.

“(4) The amount of an annuity under this subsection is computed under section 1451(c) of this title.”

Ante, p. 666.
10 USC 1448
note.

10 USC 1331.

10 USC 1331 *et seq.*

98 Stat. 2548.

Ante, p. 666.

10 USC 1450.

Ante, p. 671.10 USC 1448
note.

(b) **EFFECTIVE DATE OF ANNUITY.**—Section 1450(j) of such title is amended by adding at the end thereof the following new sentence: “An annuity payable under section 1448(f) of this title shall be effective on the day after the date of the death of the person upon whose service the right to the annuity is based.”

(c) **PERSONS COVERED.**—(1) Section 1448(f) of title 10, United States Code, as added by subsection (a), shall apply to the surviving spouse and dependent children of any person who dies after September 30, 1978, and the former spouse of a person who dies after September 7, 1982.

(2) In the case of the surviving spouse and dependents of a person who dies during the period beginning on September 30, 1978, and ending on October 1, 1985, the Secretary concerned shall take appropriate steps to locate persons eligible for an annuity under section 1448(f) of title 10, United States Code, as added by subsection (a). Any such person must submit an application to the Secretary for such an annuity before October 1, 1988, to be eligible to receive such annuity. Any such annuity shall be effective only for months after the month in which the Secretary receives such application.

SEC. 714. INDEXING OF THRESHOLD AMOUNT FOR CALCULATION OF REDUCTION OF RETIRED PAY

(a) **IN GENERAL.**—Section 1452(a) of title 10, United States Code, is amended—

(1) by inserting “(1)” after “(a)”;

(2) in the first sentence—

(A) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively;

(B) in clause (A) (as so redesignated)—

(i) by inserting “(as adjusted from time to time under paragraph (4))” after “\$300”; and

(ii) by striking out “an annuity by virtue of eligibility under section 1448(a)(1)(A) of this title” and inserting in lieu thereof “a standard annuity”; and

(C) in clause (B) (as so redesignated), by striking out “an annuity by virtue of eligibility under section 1448(a)(1)(B)” and inserting in lieu thereof “a reserve-component annuity”;

(3) by designating the second sentence as paragraph (2) and striking out “As long as” and all that follows through “that amount” and inserting in lieu thereof “If there is a dependent child as well as a spouse or former spouse, the amount prescribed under paragraph (1)”;

(4) by designating the third sentence as paragraph (3) and in such sentence—

(A) by striking out “the first sentence of this subsection” and inserting in lieu thereof “paragraph (1)”; and

(B) by inserting “or former spouse” after “eligible spouse”; and

(5) by adding at the end thereof the following new paragraph: “(4)(A) *Whenever there is an increase in the rates of basic pay of members of the uniformed services effective on or after October 1, 1985, the amount under paragraph (1)(A) with respect to which the percentage factor of 2½ is applied shall be increased by the overall percentage of such increase in the rates of basic pay. The increase under the preceding sentence shall apply only with respect to persons whose retired pay is computed based on the rates of basic*

pay in effect on or after the date of such increase in rates of basic pay.

“(B) In addition to the increase under paragraph (4)(A), the amount under paragraph (1)(A) with respect to which the percentage factor of 2½ is applied shall be further increased at the same time and by the same percentage as an increase in retired pay under section 1401a of this title effective on or after October 1, 1985. Such increase under the preceding sentence shall apply only with respect to persons who initially participate in the Plan on a date which is after both the effective date of such increase under section 1401a and the effective date of the rates of basic pay upon which their retired pay is computed.”

Effective date.

10 USC 1401a.

(b) **EFFECTIVE DATE.**—The amendments made by clause (5) of subsection (a) shall apply only with respect to persons who first participate in the Plan on or after the effective date of this title.

10 USC 1452 note.

SEC. 715. SBP COVERAGE UPON REMARRIAGE

(a) **OPTION NOT TO RESUME COVERAGE UPON REMARRIAGE.**—Section 1448(a) of title 10, United States Code, is amended by adding at the end thereof the following new paragraph:

“(6)(A) A person—

“(i) who is a participant in the Plan and is providing coverage for a spouse or a spouse and child;

“(ii) who does not have an eligible spouse beneficiary under the Plan; and

“(iii) who remarries,

may elect not to provide coverage under the Plan for the person’s spouse.

“(B) If such an election is made, no reduction in the retired pay of such person under section 1452 of this title may be made. An election under this paragraph—

10 USC 1452.

“(i) is irrevocable;

“(ii) shall be made within one year after the person’s remarriage; and

“(iii) shall be made in such form and manner as may be prescribed in regulations under section 1455 of this title.

10 USC 1455.

“(C) If a person makes an election under this paragraph—

“(i) not to participate in the Plan;

“(ii) to provide an annuity for the person’s spouse at less than the maximum level; or

“(iii) to provide an annuity for a dependent child but not for the person’s spouse,

the person’s spouse shall be notified of that election.

“(D) This paragraph does not affect any right or obligation to elect to provide an annuity to a former spouse under subsection (b).”

(b) **OPTION TO PROVIDE HIGHER COVERAGE UPON PAYMENT OF AMOUNT NOT PREVIOUSLY WITHHELD.**—Section 1448 of such title is amended by adding after subsection (f), as added by the amendment made by section 713(a), the following new subsection:

Ante, p. 671.

“(g)(1) A person—

“(A) who is a participant in the Plan and is providing coverage under subsection (a) for a spouse or a spouse and child, but at less than the maximum level; and

“(B) who remarries,

may elect, within one year of such remarriage, to increase the level of coverage provided under the Plan to a level not in excess of the current retired pay of that person.

“(2) Such an election shall be contingent on the person paying to the United States the amount determined under paragraph (3) plus interest on such amount at a rate determined under regulations prescribed by the Secretary of Defense.

“(3) The amount referred to in paragraph (2) is the amount equal to the difference between—

10 USC 1452.

“(A) the amount that would have been withheld from such person’s retired pay under section 1452 of this title if the higher level of coverage had been in effect from the time the person became a participant in the Plan; and

“(B) the amount of such person’s retired pay actually withheld.

“(4) An election under paragraph (1) shall be made in such manner as the Secretary shall prescribe and shall become effective upon receipt of the payment required by paragraph (2).

“(5) A payment received under this subsection by the Secretary of Defense shall be deposited into the Department of Defense Military Retirement Fund. Any other payment received under this subsection shall be deposited in the Treasury as miscellaneous receipts.”.

SEC. 716. OPTION TO COVER BOTH A FORMER SPOUSE AND DEPENDENT CHILDREN OF A MEMBER

(a) **OPTION TO PROVIDE COVERAGE.**—Section 1448(b) of title 10, United States Code, is amended—

(1) by inserting “(other than a child who is a beneficiary under an election under paragraph (4))” in the second sentence of paragraph (2) after “that spouse or child”;

(2) by redesignating paragraph (4) as paragraph (5); and

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

“(4) A person who elects to provide an annuity for a former spouse under paragraph (2) or (3) may, at the time of the election, elect to provide coverage under that annuity for both the former spouse and a dependent child, if the child resulted from the person’s marriage to that former spouse.”.

10 USC 1448
note.

(b) **REVISION FOR FORMER SPOUSE COVERAGE ALREADY IN EFFECT.**—A person who before the date of the enactment of this Act made an election under section 1448(b) of title 10, United States Code, to provide an annuity for a former spouse may elect, within the one-year period beginning on that date of enactment, to change that election so as to provide an annuity for the former spouse and the dependent children of the person, as authorized by paragraph (4) of that section added by subsection (a). Such an election may be made even though the former spouse for whom the annuity was provided has died.

SEC. 717. AUTHORITY TO REPAY REFUNDED SBP DEDUCTIONS IN INSTALLMENTS

Section 1450(k) of title 10, United States Code, is amended—

(1) by inserting “(1)” after “(k)”;

(2) by striking out “had never been made,” and all that follows and inserting in lieu thereof “had never been made.”; and

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

“(2) A widow or widower whose annuity is readjusted under paragraph (1) shall repay any amount refunded under subsection (e) by reason of the adjustment under subsection (c). If the repayment is

not made in a lump sum, the widow or widower shall pay interest on the amount to be repaid commencing on the date on which the first such payment is due and applied over the period during which any part of the repayment remains to be paid. The manner in which such repayment shall be made, and the rate of any such interest, shall be prescribed in regulations under section 1455 of this title. An amount repaid under this paragraph (including any such interest) received by the Secretary of Defense shall be deposited into the Department of Defense Military Retirement Fund. Any other amount repaid under this paragraph shall be deposited into the Treasury as miscellaneous receipts.”

10 USC 1455.

SEC. 718. EFFECTIVE DATE OF DIC OFFSET

Section 1450(c) of title 10, United States Code, is amended by adding at the end thereof the following new sentence: “A reduction in an annuity under this section required by the preceding sentence shall be effective on the date of the commencement of the period of payment of such compensation under title 38.”

SEC. 719. TECHNICAL AMENDMENTS TO SBP STATUTE

Subchapter II of chapter 73 of title 10, United States Code, is amended as follows:

(1) Section 1447 is amended by adding at the end thereof the following new paragraphs:

10 USC 1447.

“(11) ‘Retired pay’ includes retainer pay.

“(12) ‘Standard annuity’ means an annuity provided by virtue of eligibility under section 1448(a)(1)(A) of this title.

10 USC 1448.

“(13) ‘Reserve-component annuity’ means an annuity provided by virtue of eligibility under section 1448(a)(1)(B) of this title.”

(2) Section 1447(2)(C) is amended—

10 USC 1447.

(A) by striking out “an annuity by virtue of eligibility under section 1448(a)(1)(A) of this title” in subclause (i) and inserting in lieu thereof “a standard annuity”; and

(B) by striking out “an annuity by virtue of eligibility under section 1448(a)(1)(B) of this title” in subclause (ii) and inserting in lieu thereof “a reserve-component annuity”.

(3) Paragraphs (1) and (2) of section 1448(b) are each amended by striking out “an annuity under this paragraph by virtue of eligibility under subsection (a)(1)(B)” and inserting in lieu thereof “a reserve-component annuity”.

Ante, p. 674.

(4) Section 1450(b) is amended by striking out “under this section” and inserting in lieu thereof “under the Plan”.

10 USC 1450.

(5) Section 1450(j) is amended by striking out “any person providing an annuity by virtue of eligibility under section 1448(a)(1)(B) of this title” and inserting in lieu thereof “a person providing a reserve-component annuity”.

Ante, p. 672.

(6) Section 1450(l) is amended—

98 Stat. 2546.

(A) by striking out “the plan” both places it appears in the first sentence of paragraph (1) and inserting in lieu thereof “the Plan”; and

(B) by striking out “the provision of” in paragraph (2).

(7) Section 1452(c) is amended—

10 USC 1452.

(A) by striking out “the annuity by virtue of eligibility under section 1448(a)(1)(A) of this title” and inserting in lieu thereof “a standard annuity”;

(B) by striking out “the annuity by virtue of eligibility under section 1448(a)(1)(B) of this title” and inserting in lieu thereof “a reserve-component annuity”; and

(C) by striking out “this section” in the third sentence and inserting in lieu thereof “this subsection”.

(8)(A) The following sections are each amended by striking out “or retainer” each place it appears: 1448(a)(1)(A), 1448(a)(2)(A), 1448(b)(3)(B), 1450(d), 1450(e), 1450(l)(1), 1450(l)(3)(A)(i), 1452.

(B) The heading for section 1452, and the item relating to that section in the table of sections at the beginning of such subchapter, are each amended by striking out the penultimate and antepenultimate words.

PART B—PROVISIONS RELATING TO RIGHTS FOR SPOUSES AND FORMER SPOUSES

SEC. 721. SPOUSAL CONCURRENCE FOR ELECTIONS

(a) **CONCURRENCE FOR SBP COVERAGE.**—Section 1448(a) of title 10, United States Code, is amended—

(1) by inserting “(with his spouse’s concurrence, if required under paragraph (3))” in paragraph (2)(A) after “unless he elects”; and

(2) by striking out paragraph (3) and inserting in lieu thereof the following:

“(3)(A) A married person who is eligible to provide a standard annuity may not without the concurrence of the person’s spouse elect—

“(i) not to participate in the Plan;

“(ii) to provide an annuity for the person’s spouse at less than the maximum level; or

“(iii) to provide an annuity for a dependent child but not for the person’s spouse.

“(B) A married person who elects to provide a reserve-component annuity may not without the concurrence of the person’s spouse elect—

“(i) to provide an annuity for the person’s spouse at less than the maximum level; or

“(ii) to provide an annuity for a dependent child but not for the person’s spouse.

“(C) A person may make an election described in subparagraph (A) or (B) without the concurrence of the person’s spouse if the person establishes to the satisfaction of the Secretary concerned—

“(i) that the spouse’s whereabouts cannot be determined; or

“(ii) that, due to exceptional circumstances, requiring the person to seek the spouse’s consent would otherwise be inappropriate.

“(D) This paragraph does not affect any right or obligation to elect to provide an annuity for a former spouse (or for a former spouse and dependent child) under subsection (b)(2).

“(E) If a married person who is eligible to provide a standard annuity elects to provide an annuity for a former spouse (or for a former spouse and dependent child) under subsection (b)(2), that person’s spouse shall be notified of that election.”.

(b) **CONCURRENCE FOR ELECTION OF COVERAGE AT LESS THAN MAXIMUM AMOUNT.**—Section 1447(2)(C) of such title is amended by insert-

ing “(with the concurrence of the person’s spouse, if required under section 1448(a)(3) of this title)” after “designated by the person”. *Ante*, p. 676.

SEC. 722. CLARIFICATION OF STATUS OF SPOUSAL AGREEMENTS

Section 1450(f)(3) of title 10, United States Code, is amended— 98 Stat. 2548.

(1) in subparagraph (A)—

(A) by inserting “or has been filed with the court of appropriate jurisdiction in accordance with applicable State law” after “by a court order”; and

(B) by inserting “or receives a statement from the clerk of the court (or other appropriate official) that such agreement has been filed with the court in accordance with applicable State law” before the period; and

(2) in subparagraphs (B) and (C), by inserting “or filing” after “court order”.

SEC. 723. FORMER SPOUSE COVERAGE TO BE PROVIDED IN SPOUSE CATEGORY RATHER THAN INSURABLE INTEREST CATEGORY

(a) **SPECIFICATION OF BENEFICIARIES.**—Section 1450(a) of title 10, United States Code, is amended—

(1) by inserting “or the eligible former spouse” in clauses (1) and (2) after “widow or widower”; and

(2) in clause (3)—

(A) by inserting “(with the concurrence of the person’s spouse, if required under section 1448(a)(3) of this title)” after “title applies”; and *Ante*, p. 676.

(B) by inserting “or former spouse” after “the spouse”; and

(3) by striking out “former spouse or other” both places it appears in clause (4).

(b) **CONFORMING AMENDMENTS.**—(1) Section 1450 of such title is amended by striking out “widow or widower” each place it appears and inserting in lieu thereof “widow, widower, or former spouse”. *Ante*, p. 674.

(2) Section 1452 of such title is amended—

(1) by inserting “or former spouse” after “spouse” the first two places it appears in subsection (a); and *Ante*, p. 672.

(2) by inserting “or former spouse” after “spouse” both places it appears in subsection (b).

(c) **ONE-YEAR OPEN PERIOD TO SWITCH COMPUTATION OF SBP ANNUITY.**—A person who, before the effective date of this title, participated in the Survivor Benefit Plan under subchapter II of chapter 73 of title 10, United States Code, and had elected to provide an annuity to a former spouse may, with the concurrence of such former spouse, elect to terminate such annuity and provide an annuity to such former spouse under section 1450(a)(1) of such title. 10 USC 1448 note.

Any such election shall be made before the end of the 12-month period beginning on the date of the enactment of this Act. 10 USC 1447 *et seq.*

10 USC 1450.

(d) **ONE-YEAR OPEN PERIOD FOR NEW FORMER SPOUSE COVERAGE.**— 10 USC 1448 note.

A person who before the effective date of this part was a participant in the Survivor Benefit Plan and did not elect to provide an annuity to a former spouse may elect to provide an annuity to a former spouse under the Plan. Any such election shall be made before the end of the 12-month period beginning on the date of the enactment of this Act.

SEC. 724. NOTICE OF ELECTIONS AVAILABLE

Section 1455 of title 10, United States Code, is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

“(1) provide that before the date the member becomes entitled to retired pay—

“(A) if the member is married, the member and the member’s spouse shall be informed of the elections available under section 1448(a) of this title and the effects of such elections; and

“(B) if the notification referred to in section 1448(a)(3)(E) of this title is required, any former spouse of the member shall be informed of the elections available and the effects of such elections; and

“(2) establish procedures for depositing the amounts referred to in sections 1448(g), 1450(k)(2), and 1452(d) of this title.”.

Ante, pp. 673, 676.

Ante, p. 676.

Ante, pp. 673, 674; 10 USC 1452.

PART C—EFFECTIVE DATE AND REPORT

SEC. 731. EFFECTIVE DATE

10 USC 1447 note.

(a) **EFFECTIVE DATE.**—Except as otherwise provided in this title, the amendments made by this title shall take effect on the first day of the first month beginning more than 90 days after the date of the enactment of this Act.

(b) **PROSPECTIVE BENEFITS ONLY.**—No benefit shall accrue to any person by reason of the enactment of this title for any period before the effective date under subsection (a).

SEC. 732. REPORT ON ESTABLISHING NEEDS-BASED SURVIVOR BENEFIT ANNUITY PROGRAM FOR SURVIVING SPOUSES OF CERTAIN RETIRED RESERVISTS

(a) **REQUIREMENT FOR REPORT.**—The Secretary of Defense shall submit to Congress a report containing a plan for establishing a needs-based survivor annuity program for surviving spouses of members of the uniformed services who—

(1) died before September 30, 1978; and

(2) at the time of death would have been eligible for retired pay under chapter 67 of title 10, United States Code, but for the fact they were under 60 years of age.

10 USC 1331 *et seq.*

(b) **SCOPE OF PLAN.**—The plan shall take into consideration the surviving spouse’s income for purposes of determining eligibility under the plan. In developing the plan, the Secretary of Defense should analyze a variety of options, including a plan similar to the Minimum Income Widows Program established pursuant to Public Law 92-425, and shall provide an accounting of the number of potential beneficiaries and the projected cost under each such option.

86 Stat. 706.

(c) **DEADLINE FOR REPORT.**—The report required by this section shall be submitted by December 31, 1985.

Military Family Act of 1985.

TITLE VIII—MILITARY FAMILY POLICY AND PROGRAMS

10 USC 133 note.

SEC. 801. SHORT TITLE

This title may be cited as the “Military Family Act of 1985”.

SEC. 802. OFFICE OF FAMILY POLICY

10 USC 133 note.

(a) **ESTABLISHMENT.**—There is hereby established in the Office of the Secretary of Defense an Office of Family Policy (hereinafter in this section referred to as the “Office”). The Office shall be under the Assistant Secretary of Defense for Force Management and Personnel.

(b) **DUTIES.**—The Office—

(1) shall coordinate programs and activities of the military departments to the extent that they relate to military families; and

(2) shall make recommendations to the Secretaries of the military departments with respect to programs and policies regarding military families.

(c) **STAFF.**—The Office shall have not less than five professional staff members.

(d) **REPORT.**—The Secretary of Defense shall submit a report to Congress concerning the Office no later than September 30, 1986. The report shall include—

(1) a description of the activities of the Office and the composition of its staff; and

(2) the recommendations of the Office for legislative and administrative action to enhance the well-being of military families.

SEC. 803. TRANSFER OF MILITARY FAMILY RESOURCE CENTER

10 USC 133 note.

The Military Family Resource Center of the Department of Defense is hereby transferred from the Office of the Assistant Secretary of Defense for Health Affairs to the Office of the Assistant Secretary for Force Management and Personnel.

SEC. 804. SURVEYS OF MILITARY FAMILIES

10 USC 133 note.

The Secretary of Defense may conduct surveys of members of the Armed Forces serving on active duty, members of the families of such members, and retired members of the Armed Forces to determine the effectiveness of existing Federal programs relating to military families and the need for new programs. Responses to surveys conducted under this section shall be voluntary. With respect to such surveys, family members of members of the Armed Forces and retired members of the Armed Forces shall be considered to be employees of the United States for purposes of section 3502(4)(A) of title 44, United States Code.

SEC. 805. FAMILY MEMBERS SERVING ON ADVISORY COMMITTEES

10 USC 133 note.

A committee within the Department of Defense which advises or assists the Department in the performance of any function which affects members of military families and which includes members of military families in its membership shall not be considered an advisory committee under section 3(2) of the Federal Advisory Committee Act (5 U.S.C. App.) solely because of such membership.

SEC. 806. EMPLOYMENT OPPORTUNITIES FOR MILITARY SPOUSES

10 USC 133 note.

(a) **AUTHORITY.**—The President shall order such measures as the President considers necessary to increase employment opportunities for spouses of members of the Armed Forces. Such measures may include—

(1) excepting, pursuant to section 3302 of title 5, United States Code, from the competitive service positions in the Department

of Defense located outside of the United States to provide employment opportunities for qualified spouses of members of the Armed Forces in the same geographical area as the permanent duty station of the members; and

(2) providing preference in hiring for positions in nonappropriated fund activities to qualified spouses of members of the Armed Forces stationed in the same geographical area as the nonappropriated fund activity for positions in wage grade UA-8 and below and equivalent positions and for positions paid at hourly rates.

(b) **REGULATIONS.**—The Secretary of Defense shall prescribe regulations—

(1) to implement such measures as the President orders under subsection (a);

(2) to provide preference hiring to qualified spouses of members of the Armed Forces in hiring for any position in the Department of Defense above grade GS-7 (or its equivalent) if the spouse is among persons determined to be best qualified for the position and if the position is located in the same geographical area as the permanent duty station of the member;

(3) to ensure that notice of any vacant position in the Department of Defense is provided in a manner reasonably designed to reach spouses of members of the Armed Forces whose permanent duty stations are in the same geographic area as the area in which the position is located; and

(4) to ensure that the spouse of a member of the Armed Forces who applies for a vacant position in the Department of Defense shall, to the extent practicable, be considered for any such position located in the same geographic area as the permanent duty station of the member.

(c) **STATUS OF PREFERENCE ELIGIBLES.**—Nothing in this section shall be construed to provide a spouse of a member of the Armed Forces with preference in hiring over an individual who is a preference eligible.

10 USC 133 note. **SEC. 807. YOUTH SPONSORSHIP PROGRAM**

The Secretary of Defense shall direct that there be established at each military installation a youth sponsorship program to facilitate the integration of dependent children of members of the Armed Forces into new surroundings when moving to that military installation as a result of a parent's permanent change of station. Such a program shall, to the extent feasible, provide for involvement of dependent children of members presently stationed at the military installation.

10 USC 133 note. **SEC. 808. DEPENDENT STUDENT TRAVEL WITHIN THE UNITED STATES**

Funds available to the Department of Defense for the travel and transportation of dependent students of members of the Armed Forces stationed overseas may be obligated for transportation allowances for travel within or between the contiguous States.

10 USC 133 note. **SEC. 809. RELOCATION AND HOUSING**

Report.
Contracts.

(a) **RELOCATION ASSISTANCE.**—The Secretary of Defense shall submit to Congress a report on the desirability and feasibility of providing relocation assistance to members of the uniformed services and their families through contracts entered into by the Depart-

ment of Defense with firms which provide such assistance to individuals. Such report shall be submitted not later than March 1, 1986.

(b) **AMORTIZATION PERIOD FOR PARKING FACILITIES FOR HOUSE TRAILERS AND MOBILE HOMES.**—Section 403(k) of title 37, United States Code, is amended by striking out “15-year period” and inserting in lieu thereof “25-year period”.

(c) **COST OF UNACCOMPANIED PERSONNEL HOUSING FOR MEMBERS OF UNIFORMED SERVICE.**—Section 5911 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

“(h) A member of the uniformed service on a permanent change of duty station or temporary duty orders and occupying unaccompanied personnel housing—

“(1) is exempt from the requirement of subsection (c) to pay a rental rate or charge based on the reasonable value of the quarters and facilities provided; and

“(2) shall pay such lesser rate or charge as the Secretary of Defense establishes by regulation.”.

SEC. 810. FOOD PROGRAMS

10 USC 133 note.

(a) **FOOD COSTS FOR CERTAIN ENLISTED MEMBERS.**—Section 1011 of title 37, United States Code, is amended by adding at the end thereof the following new subsection:

“(c) Spouses and dependent children of enlisted members in pay grades E-1, E-2, E-3, and E-4 may not be charged for meals sold at messes in excess of a level sufficient to cover food costs.”.

(b) **REPORT ON ISSUANCE OF FOOD STAMPS COUPONS TO OVERSEAS HOUSEHOLDS OF MEMBERS STATIONED OUTSIDE THE UNITED STATES.**—

(1) The Secretary of Defense shall submit to Congress a report on the feasibility of having the Department issue food stamp coupons to overseas households of members stationed outside the United States.

(2) The report shall include—

(A) an estimate of the cost of providing the coupons; and

(B) legislative and administrative recommendations for providing for the issuance of the coupons.

(3) The report shall be submitted not later than December 31, 1985.

SEC. 811. REPORTING OF CHILD ABUSE

10 USC 133 note.

(a) **IN GENERAL.**—The Secretary of Defense shall request each State to provide for the reporting to the Secretary of any report the State receives of known or suspected instances of child abuse and neglect in which the person having care of the child is a member of the Armed Forces (or the spouse of the member).

(b) **DEFINITION.**—For purposes of this section the term “child abuse and neglect” shall have the same meaning as provided in section 3(1) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5102).

98 Stat. 1752.

SEC. 812. MISCELLANEOUS REPORTING REQUIREMENTS

10 USC 133 note.

(a) **HOUSING AVAILABILITY.**—(1) The Secretary of Defense shall submit to Congress a report on the availability and affordability of off-base housing for members of the Armed Forces and their families.

Report.

(2) The report shall—

(A) examine the availability of affordable housing for each pay grade and for all geographic areas within the United States and for appropriate overseas locations; and

(B) examine the relocation assistance provided by the Department of Defense incident to a permanent change of station by a member of the Armed Forces in locating housing at the member's new duty station and in disposing of housing at the member's old duty station.

(3) The report shall be submitted within one year after the date of the enactment of this Act.

Report.
Children
and youth.
Education.

(b) **NEED FOR ASSISTANCE TO DEPENDENTS ENTERING NEW SECONDARY SCHOOLS.**—The Secretary of Defense shall submit to Congress a report recommending administrative and legislative action to assist families of members of the Armed Forces making a permanent change of station so that a dependent child who transfers between secondary schools with different graduation requirements is not subjected to unnecessary disruptions in education or inequitable, unduly burdensome, or duplicative education requirements. Such report shall be submitted within one year after the date of the enactment of this Act.

10 USC 133 note.

SEC. 813. EFFECTIVE DATE

This title shall take effect on October 1, 1985.

Defense
Procurement
Improvement
Act of 1985.
10 USC 2301
note.

TITLE IX—PROCUREMENT POLICY REFORM AND OTHER PROCUREMENT MATTERS

SEC. 901. SHORT TITLE

This title may be cited as the "Defense Procurement Improvement Act of 1985".

PART A—PROGRAM MANAGEMENT MATTERS

SEC. 911. REGULATIONS RELATING TO ALLOWABLE COSTS

(a) **REGULATION OF ALLOWABLE COSTS PAYABLE TO DEFENSE CONTRACTORS.**—(1) Chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new section:

10 USC 2324.

"§ 2324. Allowable costs under defense contracts

"(a)(1) The Secretary of Defense shall require that a covered contract provide that if the contractor submits to the Department of Defense a proposal for settlement of indirect costs incurred by the contractor for any period after such costs have been accrued and if that proposal includes the submission of a cost which is unallowable because the cost violates a cost principle in the Federal Acquisition Regulation or the Department of Defense Supplement to the Federal Acquisition Regulation, the cost shall be disallowed.

Penalties.

"(2) If the Secretary determines by clear and convincing evidence that a cost submitted by a contractor in its proposal for settlement is unallowable under paragraph (1), the Secretary shall assess a penalty against the contractor in an amount equal to—

"(A) the amount of the disallowed costs; plus

"(B) interest (to be computed based on regulations issued by the Secretary) to compensate the United States for the use of any funds which a contractor has been paid in excess of the amount to which the contractor was entitled.

Penalties.

"(b) If the Secretary determines that a proposal for settlement of indirect costs submitted by a contractor includes a cost determined to be unallowable in the case of such contractor before the submis-

sion of such proposal, the Secretary shall assess a penalty against the contractor, in addition to the penalty assessed under subsection (a), in an amount equal to two times the amount of such cost.

“(c) An action of the Secretary under subsection (a) or (b)—
“(1) shall be considered a final decision for the purposes of section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605); and

“(2) is appealable in the manner provided in section 7 of such Act (41 U.S.C. 606).

“(d) If any penalty is assessed under subsection (a) or (b) with respect to a proposal for settlement of indirect costs, the Secretary may assess an additional penalty of not more than \$10,000 per proposal.

Penalties.

“(e)(1) The following costs are not allowable under a covered contract:

“(A) Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities).

“(B) Costs incurred to influence (directly or indirectly) legislative action on any matter pending before Congress or a State legislature.

“(C) Costs incurred in defense of any civil or criminal fraud proceeding or similar proceeding (including filing of any false certification) brought by the United States where the contractor is found liable or has pleaded nolo contendere to a charge of fraud or similar proceeding (including filing of a false certification).

“(D) Payments of fines and penalties resulting from violations of, or failure to comply with, Federal, State, local, or foreign laws and regulations, except when incurred as a result of compliance with specific terms and conditions of the contract or specific written instructions from the contracting officer authorizing in advance such payments in accordance with applicable regulations of the Secretary of Defense.

“(E) Costs of membership in any social, dining, or country club or organization.

“(F) Costs of alcoholic beverages.

“(G) Contributions or donations, regardless of the recipient.

“(H) Costs of advertising designed to promote the contractor or its products.

“(I) Costs of promotional items and memorabilia, including models, gifts, and souvenirs.

“(J) Costs for travel by commercial aircraft which exceed the amount of the standard commercial fare.

“(2) The Secretary shall prescribe regulations to implement this section. Such regulations may establish appropriate definitions, exclusions, limitations, and qualifications.

Regulations.

“(f)(1) The Secretary shall prescribe proposed regulations to amend those provisions of the Department of Defense Supplement to the Federal Acquisition Regulation dealing with the allowability of contractor costs. The amendments shall define in detail and in specific terms those costs which are unallowable, in whole or in part, under covered contracts. These regulations shall, at a minimum, clarify the cost principles applicable to contractor costs of the following:

Regulations.

“(A) Air shows.

“(B) Membership in civic, community, and professional organizations.

“(C) Recruitment.

“(D) Employee morale and welfare.

“(E) Actions to influence (directly or indirectly) executive branch action on regulatory and contract matters (other than costs incurred in regard to contract proposals pursuant to solicited or unsolicited bids).

“(F) Community relations.

“(G) Dining facilities.

“(H) Professional and consulting services, including legal services.

“(I) Compensation.

“(J) Selling and marketing.

“(K) Travel.

“(L) Public relations.

“(M) Hotel and meal expenses.

“(N) Expense of corporate aircraft.

“(O) Company-furnished automobiles.

“(P) Advertising.

“(2) The regulations shall require that a contracting officer not resolve any questioned costs until he has obtained—

“(A) adequate documentation with respect to such costs; and

“(B) the opinion of the defense contract auditor on the allowability of such costs.

“(3) The regulations shall provide that, to the maximum extent practicable, the defense contract auditor be present at any negotiation or meeting with the contractor regarding a determination of the allowability of indirect costs of the contractor.

“(4) The regulations shall require that all categories of costs designated in the report of the defense contract auditor as questioned with respect to a proposal for settlement be resolved in such a manner that the amount of the individual questioned costs that are paid will be reflected in the settlement.

“(g) The regulations of the Secretary required to be prescribed under subsections (e) and (f)(1) shall require, to the maximum extent practicable, that such regulations apply to all subcontractors of a covered contract.

“(h)(1) A proposal for settlement of indirect costs applicable to a covered contract shall include a certification by an official of the contractor that, to the best of the certifying official's knowledge and belief, all indirect costs included in the proposal are allowable. Any such certification shall be in a form prescribed by the Secretary.

“(2) The Secretary of Defense or the Secretary of the military department concerned may waive the requirement for certification under paragraph (1) in the case of any contract if the Secretary—

“(A) determines in such case that it would be in the interest of the United States to waive such certification; and

“(B) states in writing the reasons for that determination and makes such determination available to the public.

“(i) The submission to the Department of Defense of a proposal for settlement of costs for any period after such costs have been accrued that includes a cost that is expressly specified by statute or regulation as being unallowable, with the knowledge that such cost is unallowable, shall be subject to the provisions of section 287 of title 18 and section 3729 of title 31.

“(j) In this section, ‘covered contract’ means a contract for an amount more than \$100,000 entered into by the Department of Defense other than a fixed-price contract without cost incentives.”.

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

“2324. Allowable costs under defense contracts.”.

(b) REGULATIONS.—(1) Not later than 150 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe the regulations required by subsections (e) and (f) of section 2324 of title 10, United States Code, as added by subsection (a). Such regulations shall be published in accordance with section 22 of the Office of Federal Procurement Policy Act (41 U.S.C. 418b).

10 USC 2324
note.

(2) The Secretary shall review such regulations at least once every five years. The results of each such review shall be made public.

98 Stat. 3076.
Public
information.

(c) EFFECTIVE DATE.—Section 2324 of title 10, United States Code, as added by subsection (a), shall apply only to contracts for which solicitations are issued on or after the date on which such regulations are prescribed.

10 USC 2324
note.

SEC. 912. MULTIPLE SOURCES FOR MAJOR DEFENSE ACQUISITION PROGRAMS

(a) IN GENERAL.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2305 the following new section:

“§ 2305a. Major programs: competitive alternative sources

10 USC 2305a.

“(a)(1) The Secretary of Defense may not begin full-scale development under a major program until—

Reports.

“(A) the Secretary prepares an acquisition strategy for the program; and

“(B) the Secretary submits to the Committees on Armed Services of the Senate and House of Representatives a report describing the acquisition strategy for that program.

“(2) The report required by paragraph (1)(B) shall be submitted not later than the date of the submission of the President’s budget to Congress for the fiscal year for which the initial request is made for appropriations for full-scale development of the program.

“(3) If the Secretary proposes to revise an acquisition strategy prepared under paragraph (1) after the report on that strategy is submitted under that paragraph, the Secretary shall submit to the committees a report describing the proposed revision. Such a revision may not be implemented until 60 days after the date on which the report on the revision is received by those committees.

“(4) The Secretary shall ensure that contracts for each major program are awarded in accordance with the acquisition strategy for such program.

“(b)(1) The acquisition strategy prepared under subsection (a) for a major program shall provide that there will be competitive alternative sources available for the system (and each major subsystem) under the program throughout the period from the beginning of full-scale development through the end of production.

“(2) In carrying out this subsection, the Secretary may provide that the requirement for competitive alternative sources for a system or subsystem is satisfied even though the sources for that system or subsystem do not develop or produce identical systems if the systems developed or produced serve similar functions and compete effectively with each other.

“(c)(1) In preparing an acquisition strategy for a major program, the Secretary may waive subsection (b) with respect to full-scale development of that program if the Secretary determines that the application of that subsection to full-scale development of that program—

“(A) would not materially reduce the technological risks associated with the program;

“(B) would not likely result in an improvement in design commensurate with the additional cost;

“(C) would result in unacceptable delays in fulfilling the needs of the Department of Defense; or

“(D) would be adverse to the national security interests of the United States.

“(2) In preparing an acquisition strategy for a major program, the Secretary may waive the requirement of subsection (b) with respect to production under the program if the Secretary determines that the application of that subsection to production under the program—

“(A) would increase the total cost for the program;

“(B) would result in unacceptable delays in fulfilling the needs of the Department of Defense; or

“(C) would be adverse to the national security interests of the United States.

“(3) If the Secretary grants a waiver under paragraph (1) or (2), the report submitted under subsection (a) with respect to that program—

“(A) shall include notice that the waiver has been made; and

“(B) shall set forth the reasons for the waiver, together with supporting documentation of comparative cost and schedule estimates and other background material.

“(4) The Secretary shall separately exercise the authority under paragraphs (1) and (2) for each major defense acquisition program.

“(d) In this section:

“(1) ‘Major program’ means a major defense acquisition program, as such term is defined in section 139a(a) of this title.

“(2) ‘Major subsystem’, with respect to a major program, means a subsystem of the system developed under the program that is purchased directly by the United States and for which—

“(A) the amount for research, development, test and evaluation is 10 percent or more of the amount specified in section 139a(a)(1)(B) of this title as the research, development, test and evaluation funding criterion for identification of a major defense acquisition program; or

“(B) the amount for production is 10 percent or more of the amount specified in section 139a(a)(1)(B) of this title as the production funding criterion for identification of a major defense acquisition program.”.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2305 the following new item:

“2305a. Major programs: competitive alternative sources.”

(b) **EFFECTIVE DATE.**—Section 2305a of title 10, United States Code, as added by subsection (a), shall apply with respect to major defense acquisition programs for which funds for full-scale development are first requested for a fiscal year after fiscal year 1986.

Defense and national security. Report.

10 USC 139a.

Research and development.

10 USC 139a.

10 USC 2305a note.

SEC. 913. MINIMUM PERCENTAGE OF COMPETITIVE PROCUREMENTS10 USC 2301
note.

(a) **ANNUAL GOAL.**—The Secretary of Defense shall establish for each fiscal year a goal for the percentage of defense procurements to be made during that year (expressed in total dollar value of contracts entered into) that are to be competitive procurements.

(b) **ANNUAL REPORT.**—(1) The Secretary shall submit to Congress a report each year on the goal for the next fiscal year. Such report shall propose means for promoting and expanding competition in Department of Defense procurement and shall summarize the accomplishments in meeting the established goals for the prior fiscal year.

(2) The report shall be submitted not later than April 1 of each year with respect to the next fiscal year.

(c) **DEFINITION.**—For the purposes of this section, the term “competitive procurements” means procurements made by the Department of Defense through the use of competitive procedures, as defined in section 2304 of title 10, United States Code.

98 Stat. 1187.

SEC. 914. REGULATIONS TO CONTROL PRICES THAT MAY BE PAID FOR SPARE PARTS

(a) **IDENTIFICATION OF MANAGEMENT PROBLEMS.**—The Congress determines that in the acquisition of spare parts the Department of Defense has in some instances paid unreasonably high prices due to the following management problems:

(1) Some parts have been built to overly detailed specifications.

(2) Some parts have been designed and fabricated in such a manner that excessive engineering and manufacturing steps have been involved resulting in a price in excess of the intrinsic value of the part.

(3) Some parts have been purchased in very small, and thus highly uneconomic, quantities.

(4) Some parts have had inappropriate amounts of corporate overhead assigned to them, resulting in a price in excess of the intrinsic value of the part.

(5) Some parts have not been purchased directly from the manufacturer, and thus the Government has unnecessarily paid an additional profit to the seller.

(6) Some parts have not been purchased through a competitive process.

(7) Some parts have been sold with unreasonably high profits included in the price.

(b) **REPORT.**—(1) The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report—

(A) describing the specific actions taken by the Department of Defense to address the management problems identified in subsection (a); and

(B) evaluating such actions to determine whether the actions have been successful in remedying those management problems.

(2) The report shall be submitted not later than January 31, 1986.

(c) **PROPOSALS FOR ADDITIONAL ADMINISTRATIVE OR LEGISLATIVE REMEDIES.**—If the Secretary of Defense concludes that the management problems identified in subsection (a) have not been successfully remedied by actions of the Department of Defense, the Secretary—

- (1) shall issue proposed regulations to limit the prices that may be charged by defense contractors for spare parts; and
- (2) shall, if the Secretary determines that legislation is necessary to remedy any of such problems, submit to Congress proposed legislation to remedy those problems.

98 Stat. 2609.

(d) **CONSTRUCTION OF SECTION.**—This section does not supersede the requirements of section 1245 of the Department of Defense Authorization Act, 1985 (Public Law 98-525), the provisions of which the Secretary of Defense has failed to comply with as of July 25, 1985.

10 USC 139 note. **SEC. 915. SHOULD-COST ANALYSES**

(a) **REPORT ON ANNUAL PLAN.**—The Secretary of Defense shall submit to Congress an annual report setting forth the Secretary's plan for the performance during the next fiscal year of cost analyses for major defense acquisition programs for the purpose of determining how much the production of covered systems under such programs should cost. The report shall describe—

- (1) which covered systems the Secretary plans to apply such an analysis to;
- (2) which covered systems the Secretary does not plan to apply such an analysis to and, in each such case, the reasons for not applying such an analysis; and
- (3) which systems were determined not to be covered systems under a major defense acquisition program and the reasons for that determination.

(b) **COVERED SYSTEMS.**—For the purposes of subsection (a), a system under a major defense acquisition program shall be considered to be a covered system if—

- (1) a production contract for the system is to be awarded during the year following the next fiscal year using procedures other than full and open competition;
- (2) initial production of the system has already taken place;
- (3) the current plans for the Department of Defense include production of substantial quantities of identical or similar items in fiscal years beyond the next fiscal year;
- (4) the work to be performed under the contract is sufficiently defined to permit an effective analysis of what production of the system by the contractor should cost; and
- (5) major changes in the program are unlikely.

(c) **SUBMITTAL OF REPORT.**—The report required by subsection (a) shall be submitted to the Committees on Armed Services of the Senate and the House of Representatives not later than the date on which the budget for the next fiscal year is submitted each year.

(d) **DEFINITION.**—The term “major defense acquisition program” has the meaning given such term in section 139a(a)(1) of title 10, United States Code.

(e) **EFFECTIVE DATE.**—This section shall apply to covered systems for which initial production funds are first appropriated for a fiscal year after fiscal year 1986.

10 USC 2307
note.

SEC. 916. LIMITATIONS ON PROGRESS PAYMENTS

(a) **IN GENERAL.**—The Secretary of Defense shall ensure that any payment for work in progress (including materials, labor, and other items) under a defense contract that provides for such payments is commensurate with the work, which meets standards of quality established under the contract, that has been accomplished.

(b) **REQUIREMENTS WITH RESPECT TO UNDEFINITIZED CONTRACTS.**—The Secretary shall ensure that progress payments referred to in subsection (a) are not made for more than 80 percent of the work accomplished under a defense contract so long as the Secretary has not made the contractual terms, specifications, and price definite.

(c) **WAIVER OF SMALL PURCHASES.**—This section does not apply to contracts for amounts less than the threshold for small purchases applicable under section 2304(g)(2) of title 10, United States Code.

98 Stat. 1187.

(d) **EFFECTIVE DATE.**—This section shall apply only to contracts for which solicitations are issued on or after 150 days after the enactment of this Act.

SEC. 917. COST AND PRICE MANAGEMENT IN DEFENSE PROCUREMENT

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

“§ 2406. Cost and price management

10 USC 2406.

“(a) In this section:

“(1) ‘Covered contract’ means a contract that is awarded by a defense agency using procedures as defined in chapter 137 of this title and that is subject to the provisions of section 2306(f) of this title, including contracts for full-scale engineering, development, or production.

10 USC 2301
et seq.
98 Stat. 1192.

“(2) ‘Defense agency’ means the Department of Defense, the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Defense Logistics Agency.

“(b)(1) A defense agency that is responsible for the acquisition of property (including major manufactured end items) or services under a covered contract shall cause to be recorded the contractor’s proposed and negotiated cost and pricing data acquired by the agency into appropriate categories. Such categories shall include labor costs, material costs, subcontract costs, overhead costs, general and administrative costs, fee or profit, recurring costs, and non-recurring costs.

“(2)(A) A defense agency that is responsible for the acquisition of major manufactured end items under a covered contract shall cause to be recorded the proposed and negotiated bills of labor for labor use by the prime contractor and each associate contractor in manufacturing the item and for labor used by each such contractor in performing routine testing relating to the item. The bill of labor relating to the labor used by any such contractor shall reflect such contractor’s computation of the work required in manufacturing parts and subassemblies for the end item and in performing routine testing of such parts and subassemblies.

“(B) Each contractor preparing a bill of labor referred to in subparagraph (A) shall specify in the bill of labor the current industrial engineering standard hours of work content (also known as ‘should-take times’) for the work included in a component of the bill of labor and for the total work included in the bill of labor. The contractor shall base the standard hours of work content specified in the bill of labor on the ‘fair day’s work’ concept, as such term is understood in competitive commercial manufacturing industries in the United States. The contractor’s standard hours of work content included in the bill of labor may not vary from time standards derived from commercially available predetermined time standard systems widely used in the United States, as determined by the defense agency, subject to verification by audit.

“(C) The head of a defense agency acquiring a bill of labor referred to in subparagraph (A) shall provide for the maintenance of the information relating to standard hours of work content included under subparagraph (B) and shall review such information to determine changes in measured work content as work progresses under the contract to which the bill of labor relates.

“(3) A defense agency that is responsible for the acquisition of major manufactured end items under a covered contract shall cause to be recorded the proposed and negotiated bills of material used by the prime contractor and each associate contractor under the contract in manufacturing the item and of material used by each such contractor in performing routine testing relating to the item. The bill of material used by any such contractor shall reflect such contractor’s computation of the material required for manufacturing parts and subassemblies for the end item and for routine testing of such parts and subassemblies. The costs set out in the bill of material shall be expressed in current dollars and shall be maintained and received in a manner similar to the manner provided for bills of labor in paragraph (2)(C).

“(4) A defense agency that is responsible for the acquisition of property (including major manufactured end items) or services under a covered contract shall cause to be recorded incurred costs under the contract in the same manner as the defense agency categorizes and records proposed and negotiated costs, including grouping the costs as provided under paragraph (1).

“(c)(1) Nothing in this section shall prohibit a contractor from submitting a request for payment or reimbursement for any bill of labor or any bill of material developed pursuant to an approved system of cost principles and procedures.

“(2) Nothing in this section shall require the submission of the information to be submitted under this section if the contractor does not maintain such information on the date of the enactment of this section.”

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

“2406. Cost and price management.”

10 USC 2304
note.

SEC. 918. CONTRACTED ADVISORY AND ASSISTANCE SERVICES

(a) ACCOUNTING PROCEDURE.—(1) The Secretary of Defense shall require that there be established within each military department an accounting procedure to aid in the identification and control of expenditures for services identified as contracted advisory and assistance services.

(2) Not later than six months after the date of the enactment of this Act, the Secretary shall submit to Congress a report describing the accounting procedure established in accordance with paragraph (1) and the implementation of that procedure in each military department.

(b) REGULATIONS TO IDENTIFY CONTRACTED ADVISORY AND ASSISTANCE SERVICES.—(1) The Secretary shall prescribe regulations which specifically describe—

(A) what services the Department of Defense considers to be contracted advisory and assistance services; and

(B) of those services, which services are carried out in direct support of a weapon system and are essential to the development, production, or maintenance of the system.

(2) In prescribing regulations under paragraph (1), the Secretary shall consider the following areas:

- (A) Management and professional services.
- (B) Special studies and analyses.
- (C) Management and support services for research and development activities.
- (D) Training.
- (E) Management review of program-funded organizations.
- (F) Public relations.
- (G) Other consulting services.
- (H) Engineering development and operational systems development related to research and development activities and production activities.
- (I) Technical assistance.
- (J) Technical representation.
- (K) Quality control, testing, and inspection services.
- (L) Specialized medical services.
- (M) Architectural and engineering services, other than in connection with construction.
- (N) Technical and management assistance for weapons systems management and review.

(3) Regulations required by paragraph (1) shall be prescribed not later than six months after the date of the enactment of this Act.

(c) CONGRESSIONAL BUDGET DOCUMENTS.—Budget documents presented to Congress in support of the annual budget for the Department of Defense—

(1) shall identify the total amount requested for contracted advisory and assistance services (as defined under regulations prescribed under subsection (b));

(2) shall identify the amount requested for each category of such services established by regulations prescribed under subsection (b); and

(3) within each such category, shall separately set forth amounts for such services described in subsection (b)(1)(B).

SEC. 919. REVISION AND EXTENSION OF PROCUREMENT TECHNICAL ASSISTANCE COOPERATIVE AGREEMENT PROGRAM

(a) PROGRAM REVISIONS.—Sections 2411 through 2414 of title 10, United States Code, are amended to read as follows:

“§ 2411. Definitions

“In this chapter:

“(1) ‘Eligible entity’ means—

“(A) a State (as defined in section 6302(5) of title 31);

“(B) a local government (as defined in section 6302(2) of title 31); and

“(C) a private, nonprofit organization.

“(2) ‘Distressed entity’ means an eligible entity (within the meaning of paragraph (1)(B)) that—

“(A) has a per capita income of 80 percent or less of the State average; or

“(B) has an unemployment rate one percent greater than the national average for the most recent 24-month period for which statistics are available.

98 Stat. 2605,
2606.
10 USC 2411.

“(3) ‘Secretary’ means the Secretary of Defense acting through the Director of the Defense Logistics Agency.

10 USC 2412. **“§ 2412. Purposes**

“The purposes of the program authorized by this chapter are—

“(1) to increase assistance by the Department of Defense to eligible entities furnishing procurement technical assistance to business entities; and

“(2) to assist eligible entities in the payment of the costs of establishing and carrying out new procurement technical assistance programs and maintaining existing procurement technical assistance programs.

10 USC 2413. **“§ 2413. Cooperative agreements**

“(a) The Secretary, in accordance with the provisions of this chapter, may enter into cooperative agreements with eligible entities to carry out the purposes of this chapter.

“(b) Under any such cooperative agreement, the eligible entity shall agree to furnish procurement technical assistance to business entities and the Secretary shall agree to defray not more than one-half of the eligible entity’s cost of furnishing such assistance, except that in the case of an eligible entity that is a distressed entity, the Secretary may agree to furnish more than one-half, but not more than three-fourths, of such cost.

“(c) In entering into cooperative agreements under subsection (a), the Secretary shall assure that at least one procurement technical assistance program is carried out in each Department of Defense contract administration services region during each fiscal year.

10 USC 2414. **“§ 2414. Limitation**

“The value of the assistance furnished by the Secretary to any eligible entity to carry out a procurement technical assistance program under a cooperative agreement under this chapter during any fiscal year may not exceed \$150,000.”

98 Stat. 2606. (b) FUNDING.—Section 2415 of such title is amended—

(1) in subsection (a)—

(A) by striking out “fiscal year 1985 is 50 percent and during fiscal year 1986” in paragraph (2) and inserting in lieu thereof “fiscal years 1986 and 1987”; and

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

“(3) This subsection shall apply only to the first \$3,000,000 appropriated to carry out this chapter in each of fiscal years 1986 and 1987.”;

(2) by striking out “fiscal year 1986” in subsection (b) and inserting in lieu thereof “fiscal year 1987”; and

(3) by adding at the end thereof the following new subsection:

“(c) For any amount appropriated to carry out this chapter for fiscal year 1986 or 1987 in excess of \$3,000,000, the Secretary shall allocate funds available for assistance under this chapter equally to each Defense Contract Administration Services region. If in any such fiscal year there is an insufficient number of satisfactory proposals in a region for cooperative agreements to allow effective use of the funds allocated to that region, the funds remaining with respect to that region shall be reallocated among the remaining regions.”.

(c) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated \$5,000,000 for fiscal year 1986 and \$6,000,000 for

fiscal year 1987 to be available for the purpose of furnishing assistance to carry out procurement technical assistance programs under cooperative agreements entered into under chapter 142 of title 10, United States Code.

98 Stat. 2605.

(2) Amounts appropriated for fiscal years 1986 and 1987 for operation and maintenance for the Department of Defense are available to defray the expenses of administering the provisions of such chapter during each such fiscal year, including the expenses related to the employment of any additional personnel necessary to administer such provisions.

(d) **EFFECTIVE DATE.**—The amendments made by subsections (a) and (b) shall take effect on October 1, 1985.

10 USC 2411
note.

PART B—PROCUREMENT PERSONNEL MATTERS

SEC. 921. POST-GOVERNMENT-SERVICE EMPLOYMENT BARS ON SENIOR DEFENSE OFFICIALS

10 USC 2397a
note.

Whoever being a Presidential appointee in Federal employment acts as a primary government representative in the negotiation of a government contract or the settlement thereof with a defense contractor shall not within two years after the termination of said activities with such contractor accept employment from that contractor and upon a knowing violation of this provision the employee shall be punished, upon conviction, with a prison term of up to one year and a fine of up to \$5,000 and said defense contractor shall forfeit up to \$50,000 in liquidated damages to the Federal Government which shall be provided for in the contract. The Secretary of Defense shall implement this provision by appropriate regulations.

Penalties.

Regulations.

SEC. 922. IMPROVED REPORTING AND DISCLOSURE FOR FORMER EMPLOYEES OF THE DEPARTMENT OF DEFENSE; PREVENTION OF CONFLICTS OF INTEREST

(a) **REPORTING AND DISCLOSURE BY FORMER EMPLOYEES.**—Subsection (a)(1) of section 2397 of title 10, United States Code, is amended—

(1) by striking out “by negotiation”; and

(2) by striking out “\$10,000” and inserting in lieu thereof “\$25,000”.

(b) **PENALTIES.**—Subsection (b)(2) of such section is amended to read as follows:

“(2)(A) If a person to whom this subsection applies (i) was employed by, or served as a consultant or otherwise to, a defense contractor at any time during a year at an annual pay rate of at least \$25,000 and the defense contractor was awarded contracts by the Department of Defense during the preceding year that totaled at least \$10,000,000, and (ii) within the 2-year period ending on the day before the person began the employment or consulting relationship, the person served on active duty or was a civilian employee for the Department, the person shall file a report with the Secretary of Defense in such manner and form as the Secretary may prescribe. The person shall file the report not later than 90 days after the date on which the person began the employment or consulting relationship.

“(B) The person shall file an additional report each time, during the 2-year period beginning on the date the active duty or civilian employment with the Department terminated, that the person’s job with the defense contractor significantly changes or the person

commences an employment or consulting relationship with another defense contractor under the conditions described in the first sentence. A person required to file an additional report under this subparagraph shall file the report within 30 days after the date of the change or the date the employment or consulting relationship commences, as the case may be.”

(c) **REPORTS.**—Subsection (b)(3) of such section is amended—

(1) by striking out clause (D) and inserting in lieu thereof the following:

“(D) A description of the duties and work performed or to be performed by the person for the defense contractor, and a description of any similar duties or work performed for which the person had at least partial responsibility as a civilian official or employee of the Department of Defense or a member of the armed forces during the 2-year period referred to in paragraph (2)(A)(ii).”;

(2) in clause (F)—

(A) by striking out “brief”; and

(B) by striking out “3-year period before that duty or service ended” and inserting in lieu thereof “2-year period referred to in paragraph (2)(A)(ii) and a description of the type of work performed and the extent to which such work was performed by the person for the defense contractor that has employed the person or has retained the person as a consultant”; and

(3) by adding at the end thereof the following new clause:

“(I) A statement describing any disqualification action taken by the person during the 2-year period referred to in paragraph (2)(A)(ii) with respect to any involvement in a matter concerning the defense contractor.”

(d) **FORMER CONTRACTOR EMPLOYEES.**—(1) Subsection (c)(1) of such section is amended—

(A) by striking out “fiscal” each place it appears; and

(B) in clause (B)—

(i) by striking out “3-year” and inserting in lieu thereof “2-year”; and

(ii) by striking out “\$15,000” and inserting in lieu thereof “\$25,000”.

(2) Subsection (c)(2) of such section is amended—

(A) by striking out clause (C) and inserting in lieu thereof the following:

“(C) A description of the duties and work performed by the person with the Department and a description of any similar duties or work for which the person had at least partial responsibility as an employee or consultant of the defense contractor during the 2-year period referred to in paragraph (1)(B).”; and

(B) by striking out clause (F) and inserting in lieu thereof the following:

“(F) A description of the duties and work performed by the person for the defense contractor and a description of the type of work and the extent to which such work was performed by the person in connection with contracts of the defense contractor with the Department during the 2-year period referred to in paragraph (1)(B).”.

(e) **REPORTS NOT TO BE ON FISCAL YEAR BASIS.**—Subsection (e) of such section is amended by striking out “fiscal”.

(f) **ADMINISTRATIVE PENALTY.**—Subsection (f) of section 2397 of such title is amended to read as follows:

10 USC 2397.

“(f)(1) A person who fails to comply with the filing requirements of this section shall be liable to the United States for an administrative penalty in the amount of \$10,000, or in such lesser amount as may be determined by the Secretary of Defense, considering all the relevant circumstances.

“(2) The Secretary shall determine whether a person has failed to file a report required by this section and shall determine the amount of the penalty under paragraph (1). The Secretary shall make the determinations on the record after opportunity for an agency hearing as provided in subchapter II of chapter 5 of title 5, United States Code. The determinations of the Secretary shall be subject to judicial review under chapter 7 of such title.”

5 USC 551 *et seq.*
5 USC 701 *et seq.*

SEC. 923. REQUIREMENTS RELATING TO PRIVATE EMPLOYMENT CONTACTS BETWEEN CERTAIN DEPARTMENT OF DEFENSE PROCUREMENT OFFICIALS AND DEFENSE CONTRACTORS

(a) **IN GENERAL.**—(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2397 the following new section:

“§ 2397a. **Requirements relating to private employment contacts between certain Department of Defense procurement officials and defense contractors**

10 USC 2397a.

“(a) In this section:

“(1) ‘Contract’ has the same meaning as provided in section 2397(a)(1) of this title.

10 USC 2397.

“(2) ‘Covered defense official’ means any individual who is serving—

“(A) as a civilian officer or employee of the Department of Defense in a position for which the rate of pay is equal to or greater than the minimum rate of pay payable for grade GS-11 under the General Schedule; or

5 USC 5332.

“(B) on active duty in the armed forces in a pay grade of O-4 or higher.

“(3) ‘Defense contractor’ has the same meaning as provided in section 2397(a)(2) of this title.

“(4) ‘Designated agency ethics official’ has the same meaning as the term ‘designated agency official’ in section 209(10) of the Ethics in Government Act of 1978 (92 Stat. 1850; 5 U.S.C. App.).

“(5) ‘Employment’ means a relationship under which an individual furnishes services in return for any payment or other compensation paid directly or indirectly to the individual for the services.

“(6) ‘Procurement function’ includes, with respect to a contract, any function relating to—

“(A) the negotiation, award, administration, or approval of the contract;

“(B) the selection of a contractor;

“(C) the approval of changes in the contract;

“(D) quality assurance, operation and developmental testing, the approval of payment, or auditing under the contract; or

“(E) the management of the procurement program.

“(b)(1) If a covered defense official who has participated in the performance of a procurement function in connection with a contract awarded by the Department of Defense contacts, or is con-

tacted by, the defense contractor to whom the contract was awarded (or an agent of such contractor) regarding future employment opportunities for the official with the defense contractor, the official (except as provided in paragraph (2)) shall—

Report.

“(A) promptly report the contact to the official’s supervisor and to the designated agency ethics official (or his designee) of the agency in which the covered defense official is employed; and

“(B) for any period for which future employment opportunities for the covered defense official have not been rejected by either the covered defense official or the defense contractor, disqualify himself from all participation in the performance of procurement functions relating to contracts of the defense contractor.

Report.

“(2) A covered defense official is not required to report the first contact with a defense contractor under paragraph (1)(A) or to disqualify himself under paragraph (1)(B) if the defense official terminates the contact immediately. However, if an additional contact of the same or a similar nature is made by or with the defense contractor, the covered defense official shall report (as provided in paragraph (1)) the contact and all contacts of the same or a similar nature made by or with the defense contractor during the 90-day period ending on the date the additional contact is made.

“(c) A report required by subsection (b)(1) shall include—

“(1) the date of each contact covered by the report; and

“(2) a brief description of the substance of the contact.

Report.

“(d)(1)(A) If the Secretary of Defense determines under paragraph (2) that a person has failed promptly to make a report required by subsection (b)(1)(A) or (b)(2) or has failed to disqualify himself in any case in which he is required to do so under subsection (b)(1)(B)—

“(i) the person may not accept or continue employment with the defense contractor during the 10-year period beginning with the date of separation from Government service; and

“(ii) the Secretary may impose on the person an administrative penalty in the amount of \$10,000, or in such lesser amount as may be prescribed by the Secretary, taking into consideration all the circumstances.

Penalties.

“(B) An individual who accepts or continues employment prohibited by subparagraph (A)(i) shall be liable to the United States for an administrative penalty as provided in subparagraph (A)(ii). Such penalty may be in addition to any penalty previously imposed on the individual under subparagraph (A)(ii) for failure promptly to make a report relating to the defense contractor by whom the individual is employed as required by subsection (b)(1)(A) or (b)(2).

“(C) The Secretary of Defense may take action against an individual under this paragraph before, on, or after the date on which the individual’s employment with the Government is terminated.

Report.

Penalties.

“(2)(A) The Secretary of Defense shall determine—

“(i) whether an individual has failed promptly to make a report required by subsection (b)(1)(A) or (b)(2) or has failed to disqualify himself in any case in which he is required to do so under subsection (b)(1)(B) and whether to impose a penalty under paragraph (1)(A)(ii) and the amount of such penalty; and

“(ii) whether an individual is liable to the United States for an administrative penalty under paragraph (1)(B) and the amount of such penalty.

There shall be a rebuttable presumption in favor of a covered defense official that failure to report a contact with a defense contractor or failure to disqualify himself from participation in the performance of certain procurement functions is not a violation of subsection (b)(1)(A) or (b)(2) or subsection (b)(1)(B), as the case may be, if the defense official has received an opinion in writing from the designated agency ethics official under subsection (e) stating that a report or disqualification by the official was not necessary.

“(B) Determinations of the Secretary under subparagraph (A) shall be made on the record after opportunity for an agency hearing as provided in subchapter II of chapter 5 of title 5. The determinations of the Secretary shall be subject to judicial review under chapter 7 of such title.

5 USC 551 *et seq.*5 USC 701 *et seq.*

Report.

“(e) If a designated agency ethics official or his designee receives a report required by subsection (b) or a request for advice from a covered defense official relating to a contact described in such subsection, the designated agency ethics official or his designee may issue a written opinion regarding the necessity of a covered defense official to file a report or disqualify himself from participation in certain procurement functions, as the case may be.

“(f) A covered defense official should request the advice of his supervisor and the appropriate designated agency ethics official (or his designee) on matters to which this section applies.”.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2397 the following new item:

“2397a. Requirements relating to private employment contacts between certain Department of Defense procurement officials and defense contractors.”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect with respect to contacts (referred to in section 2397a of title 10, United States Code, as added by subsection (a) of this section) made on or after the date of enactment of this Act.

10 USC 2397a
note.

SEC. 924. MANAGEMENT OF DEPARTMENT OF DEFENSE PROCUREMENT PERSONNEL

(a) **REQUIREMENTS FOR EDUCATION, TRAINING, AND EXPERIENCE.**—(1) Part II of subtitle A of title 10, United States Code, is amended by adding at the end thereof the following new chapter:

“CHAPTER 85—PROCUREMENT MANAGEMENT PERSONNEL

“Sec.

“1621. Definitions.

“1622. Education, training, and experience requirements: program managers.

“1623. Education, training, and experience requirements: general and flag officers.

“1624. Training program: quality assurance personnel.

“§ 1621. Definitions

10 USC 1621.

“In this chapter:

“(1) ‘Program manager’ means an officer or employee of the Department of Defense or member of the armed forces assigned by the Secretary of a military department to have overall responsibility for acquisitions under a major defense acquisition program.

“(2) ‘Procurement command’ means the Army Materiel Command, the systems commands of the Navy, the Air Force Systems Command, or Air Force Logistics Command (or any successor organization of any such command).

10 USC 139a. “(3) ‘Major defense acquisition program’ has the meaning given that term in section 139a(a)(1) of this title.

10 USC 1622. **“§ 1622. Education, training, and experience requirements: program managers**

Regulations. “(a) The Secretary of each military department shall prescribe regulations establishing requirements for the education, training, and experience of any person assigned to duty as the program manager of a major defense acquisition program. Such regulations shall be subject to the approval of the Secretary of Defense.

“(b) Regulations under subsection (a) shall require that, before being assigned to duty as a program manager, a person—

“(1) must have attended the program management course at the Defense Systems Management College or a comparable program management course at another institution; and

“(2) must have at least eight years experience in the acquisition, support, and maintenance of weapon systems, at least two of which were performed while assigned to a procurement command.

“(c) A period of time spent pursuing a program of postgraduate education in a technical or management field or attending the course referred to in subsection (b)(1) may be counted toward the eight-year requirement prescribed in subsection (b)(2).

“(d) In assigning any person to duty as a program manager, the Secretary concerned may waive the requirements of subsection (b) in individual cases. The authority to waive such requirements may not be delegated.

10 USC 1623. **“§ 1623. Education, training, and experience: flag and general officers**

Regulations. “(a) The Secretary of each military department shall prescribe regulations establishing requirements for the education, training, and experience of general or flag officers assigned to duty in a procurement command. Such regulations shall be subject to the approval of the Secretary of Defense.

“(b) Regulations prescribed under subsection (a) shall require that in order for an officer of a military department to serve in a flag or general officer grade while assigned to duty in a procurement command, the officer must meet the education and experience requirements for program managers prescribed in section 1622(b) of this title.

Supra. “(c) The Secretary concerned may waive the requirements for assignment to duty described in subsection (a). The authority to waive such requirements may not be delegated.

10 USC 1624. **“§ 1624. Training program: quality assurance personnel**

“The Secretary of Defense shall develop a training program for all personnel of the Department of Defense who are responsible for assuring quality in contractor facilities. The program shall be at least four weeks in duration. A person assigned to perform quality assurance duties in the Department of Defense shall, to the maximum extent practicable, attend such program during the first six months of the assignment to such duties.”

(2) The tables of chapters at the beginning of subtitle A of title 10, United States Code, and at the beginning of part II of such subtitle are each amended by inserting after the item relating to chapter 83 the following new item:

“85. Procurement Management Personnel..... 1621”.

(b) **EFFECTIVE DATES.**—(1) Section 1623 of title 10, United States Code (as added by subsection (a)), shall take effect on July 1, 1990. 10 USC 1623 note.

(2) Section 1624 of title 10, United States Code (as added by subsection (a)), shall take effect on January 1, 1987. 10 USC 1624 note.

(3) The regulations prescribed under subsection (a) of section 1622 of title 10, United States Code (as added by subsection (a)), shall provide that— 10 USC 1622 note.

(A) the requirement described in subsection (b)(1) of such section shall take effect on July 1, 1987; and

(B) the requirement described in subsection (b)(2) of such section shall take effect on July 1, 1989.

SEC. 925. ASSIGNMENT OF PRINCIPAL CONTRACTING OFFICERS

10 USC 2304 note.

(a) **DEVELOPMENTAL POLICY.**—The Secretary of Defense shall develop a policy regarding the mobility and regular rotation of principal administrative and corporate administrative contracting officers in the Department of Defense.

(b) **REPORT.**—The Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives not later than January 1, 1986, a report on such policy.

(c) **IMPLEMENTATION.**—Such policy shall be implemented not later than April 1, 1986.

PART C—FALSE CLAIMS, DEBARMENT, BURDEN OF PROOF, AND RELATED MATTERS

SEC. 931. INCREASED PENALTIES FOR FALSE CLAIMS IN DEFENSE PROCUREMENT

(a) **CRIMINAL FINES.**—Notwithstanding sections 287 and 3623 of title 18, United States Code, the maximum fine that may be imposed under such section for making or presenting any claim upon or against the United States related to a contract with the Department of Defense, knowing such claim to be false, fictitious, or fraudulent, is \$1,000,000. 18 USC 287 note. 98 Stat. 2008, 3137.

(b) **CIVIL PENALTIES.**—Notwithstanding section 3729 of title 31, United States Code, the amount of the liability under that section in the case of a person who makes a false claim related to a contract with the Department of Defense shall be a civil penalty of \$2,000, an amount equal to three times the amount of the damages the Government sustains because of the act of the person, and costs of the civil action. 31 USC 3729 note.

(c) **EFFECTIVE DATE.**—Subsections (a) and (b) shall be applicable to claims made or presented on or after the date of the enactment of this Act. 18 USC 287 note.

SEC. 932. PROHIBITION ON FELONS CONVICTED OF DEFENSE-CONTRACT-RELATED FELONIES AND PENALTY ON EMPLOYMENT OF SUCH PERSONS BY DEFENSE CONTRACTORS

10 USC 2304 note.

(a) **PROHIBITION.**—A person who is convicted of fraud or any other felony arising out of a contract with the Department of Defense shall be prohibited from working in a management or supervisory capacity on any defense contract for a period, as determined by the Secretary of Defense, of not less than one year from the date of the conviction.

(b) **PENALTY.**—A defense contractor who knowingly employs a person under a prohibition under subsection (a) shall be fined not more than \$500,000.

(c) **EFFECTIVE DATE.**—Subsection (a) shall apply only with respect to crimes committed after the date of the enactment of this Act.

10 USC 2324
note.

SEC. 933. BURDEN OF PROOF IN GOVERNMENT CONTRACT DISPUTE RESOLUTION

In a proceeding before the Armed Services Board of Contract Appeals, the United States Claims Court, or any other Federal court in which the reasonableness of indirect costs for which a contractor seeks reimbursement from the Department of Defense is in issue, the burden of proof shall be upon the contractor to establish that such costs are reasonable.

SEC. 934. REIMBURSEMENT, INTEREST CHARGES, AND PENALTIES FOR OVERPAYMENTS

10 USC 2304
note.
98 Stat. 1192.

(a) **COST AND PRICING DATA.**—If the United States makes an overpayment to a contractor under a contract with the Department of Defense subject to 2306(f) of title 10, United States Code, and the overpayment was due to the submission by the contractor of inaccurate, incomplete, or noncurrent cost and pricing data, the contractor shall be liable to the United States—

(1) for interest on the amount of such overpayment to be computed from the date the payment was made to the contractor to the date the Government is repaid by the contractor at the applicable rate prescribed by the Secretary of the Treasury pursuant to Public Law 92-41 (85 Stat. 97); and

(2) if the submission of such inaccurate, incomplete, or noncurrent cost and pricing data was a knowing submission, an amount equal to the amount of the overpayment.

(b) **DEFENSE PRODUCTION ACT AMENDMENT.**—Section 719 of the Defense Production Act of 1950 (50 U.S.C. App. 2168) is amended by striking out the third sentence in subsection (h)(1) and inserting in lieu thereof the following: "Such interest shall be set at a rate established by the Secretary of the Treasury pursuant to Public Law 92-41. Such interest shall accrue from the time such payments were made to the contractor or subcontractor to the time such price adjustment is effected."

50 USC app. 2168
note.

(c) **EFFECTIVE DATE.**—This section shall apply only to contracts entered into on or after the date of the enactment of this Act.

SEC. 935. SUBPOENAS OF DEFENSE CONTRACTOR RECORDS

Section 2313 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(d)(1) The Director of the Defense Contract Audit Agency (or any successor agency) may require by subpoena the production of books, documents, papers, or records of a contractor, access to which is provided to the Secretary of Defense by subsection (a) or by section 2306(f) of this title.

98 Stat. 1192.

"(2) Any such subpoena, in the case of contumacy or refusal to obey, shall be enforceable by order of an appropriate United States district court.

"(3) The authority provided by paragraph (1) may not be re delegated.

Report.

"(4) The Director (or any successor official) shall submit an annual report to the Secretary of Defense on the exercise of such authority

during the preceding year and the reasons why such authority was exercised in any instance. The Secretary shall forward a copy of each such report to the Committees on Armed Services of the Senate and House of Representatives.”

PART D—REPORTS

SEC. 951. REPORT ON PROHIBITION ON INCLUDING GENERAL AND ADMINISTRATIVE OVERHEAD EXPENSES IN THE COMPUTATION OF CONTRACTOR PROFITS

(a) **REPORT.**—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report in writing of his views regarding the desirability and advisability of legislation or regulations that would prohibit, in the case of a contract awarded by the Department of Defense using procedures other than competitive procedures (as defined in section 2304(c) of title 10, United States Code), the inclusion of any actual or imputed general and administrative expenses of the contractor in the total cost to which a percentage is applied in order to calculate anticipated profit to be earned by the contractor.

98 Stat. 1187.

(b) **DESIRABILITY OF WAIVER AUTHORITY.**—If the Secretary states in the report that the Secretary favors such a prohibition, the Secretary shall indicate in the report the desirability and advisability of including in any legislation or regulation imposing such a prohibition the authority for the Secretary to waive the prohibition in particular cases if necessary to avoid inequitable economic hardship or if necessary for other expressly stated reasons.

(c) **DEADLINE FOR REPORT.**—The report shall be submitted not later than 60 days after the date of the enactment of this Act.

SEC. 952. REPORT ON USE OF INDEPENDENT COST ESTIMATES FOR MAJOR DEFENSE ACQUISITION PROGRAMS

10 USC 139c note.

(a) **REQUIREMENT FOR REPORT.**—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the continued use of independent cost estimates in the planning, programing, budgeting, and selection process for major defense acquisition programs of the Department of Defense.

(b) **MATTERS TO BE INCLUDED.**—The report shall be a follow-on to the report required by section 1203(c) of the Department of Defense Authorization Act, 1984 (Public Law 98-94; 10 U.S.C. 1039 note), and shall include—

10 USC 139 note.

(1) an overall assessment of the extent to which such estimates were adopted by the Department of Defense in making decisions on the fiscal year 1987 budget and a general explanation of why such estimates might have been modified or rejected; and

(2) a statement as to whether adequate personnel and financial resources have been allocated at all levels of the Department of Defense to those organizations or offices charged with developing or assessing independent estimates of the costs of major defense acquisition programs.

(c) **DEADLINE.**—The report shall be submitted not later than April 1, 1986.

SEC. 953. GAO STUDY OF FEASIBILITY OF CIVILIAN DEFENSE ACQUISITION AGENCY

(a) **STUDY.**—The Comptroller General shall carry out a study to review all available evidence, studies, reports, and analyses concerning the organizational structure for defense procurement.

(b) **REPORT.**—(1) After conducting such study, the Comptroller General shall submit to Congress a report concerning the advantages and disadvantages of the establishment of an agency either within or outside the Department of Defense with the mission of coordinating, supervising, directing, and performing all procurement functions for the Department of Defense.

(2) The report required by paragraph (1) shall be submitted not later than one year after the date of the enactment of this Act.

SEC. 954. REPORT ON SUSPENSION AND DEBARMENT OF DEFENSE CONTRACTORS

(a) **REQUIRED REPORT.**—The Secretary of Defense shall submit to Congress a report on the policies prescribed and actions taken by the Secretary to implement the recommendations contained in the report of the Inspector General of the Department of Defense entitled “Review of Suspension and Debarment Activities Within the Department of Defense”, dated May 1984.

(b) **COOPERATION WITH THE OFFICE OF INSPECTOR GENERAL.**—The report under subsection (a) shall be prepared in cooperation with the Office of the Inspector General of the Department of Defense.

(c) **DEADLINE FOR REPORT.**—The report shall be submitted not later than 180 days after the date of the enactment of this Act.

SEC. 955. REPORT ON THE USE OF COMPETITION UNDER SECTION 8(a) SET-ASIDE PROGRAM

(a) **REQUIREMENT FOR REPORT.**—The Secretary of Defense and the Administrator of the Small Business Administration shall each submit to the Committees on Armed Services and on Small Business of the Senate and House of Representatives a report on the feasibility of providing for the use of competitive procedures for contracts awarded by the Department of Defense under the set-aside program of the Small Business Administration under section 8(a) of the Small Business Act.

15 USC 637.

(b) **DEADLINE FOR REPORTS.**—The reports required by subsection (a) shall be submitted not later than 180 days after the date of the enactment of this Act.

SEC. 956. REPORT ON EFFORTS TO INCREASE DEFENSE CONTRACT AWARDS TO INDIAN-OWNED BUSINESSES

(a) **REPORT REQUIREMENT.**—The Secretary of Defense shall submit to Congress a report on the efforts by the Department of Defense during fiscal years 1984 and 1985 to increase contract awards to Indian-owned businesses in accordance with the memorandum of understanding between the Department of Defense and the Small Business Administration of September 29, 1983. Such report shall include, to the maximum extent practicable, any data regarding the number and value of prime contracts awarded by the Department during such fiscal years to such businesses.

(b) **DEADLINE FOR REPORT.**—Such report shall be submitted by March 31, 1986.

(c) **DEFINITION.**—For the purposes of this section, the term “Indian-owned business” means a business firm owned and con-

trolled by American Indians, including a tribally owned for-profit entity.

PART E—TECHNICAL AMENDMENTS TO FEDERAL PROCUREMENT LAW

SEC. 961. TECHNICAL CORRECTIONS TO FEDERAL PROCUREMENT LAW

(a) **SIMPLIFICATION OF PROCEDURES FOR CERTAIN NONCOMPETITIVE PURCHASES.**—(1) The second sentence of section 2304(f)(2) of title 10, United States Code, is amended to read as follows: “The justification and approval required by paragraph (1) is not required—

“(A) when a statute expressly requires that the procurement be made from a specified source;

“(B) when the agency’s need is for a brand-name commercial item for authorized resale;

“(C) in the case of a procurement permitted by subsection (c)(7); or

“(D) in the case of a procurement conducted under (i) the Act of June 25, 1938 (41 U.S.C. 46 et seq.), popularly referred to as the Wagner-O’Day Act, or (ii) section 8(a) of the Small Business Act (15 U.S.C. 637(a)).”

(2) The second sentence of section 303(f)(2) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(f)(2)) is amended to read as follows: “The justification and approval required by paragraph (1) is not required—

“(A) when a statute expressly requires that the procurement be made from a specified source;

“(B) when the agency’s need is for a brand-name commercial item for authorized resale;

“(C) in the case of a procurement permitted by subsection (c)(7); or

“(D) in the case of a procurement conducted under (i) the Act of June 25, 1938 (41 U.S.C. 46 et seq.), popularly referred to as the Wagner-O’Day Act, or (ii) section 8(a) of the Small Business Act (15 U.S.C. 637(a)).”

(b) **NATO MUTUAL SUPPORT PROCUREMENT.**—Section 2323(b) of chapter 138 of title 10, United States Code, is amended by striking out “section 2304(g)” and inserting in lieu thereof “section 2304(a)”.

(c) **ADP PROCUREMENT.**—Section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) is amended by adding at the end thereof the following new subsection:

“(i) The justifications and approvals required by section 303(f)(1) of this Act shall apply in the case of any procurement under this section for which the minimum needs are so restrictive that only one manufacturer is capable of satisfying such needs. Such procurement includes either a sole source procurement or a procurement by specific make and model. Such justification and approval shall be required notwithstanding that more than one bid or offer is made or that the procurement obtains price competition and such procurement shall be treated as a procurement using procedures other than competitive procedures for purposes of section 19(b) of the Office of Federal Procurement Policy Act (41 U.S.C. 417(b)).”

(d) **CLARIFICATION OF REGULATIONS CONCERNING TECHNICAL DATA.**—(1) Section 2320(a)(1) of title 10, United States Code, is amended by striking out “the technical data” and inserting in lieu thereof “the item or process to which the technical data pertains”.

98 Stat. 3074. (2) Section 21(c)(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 418a(c)(1)) is amended by striking out "the technical data" and inserting in lieu thereof "the item or process to which the technical data pertains".

98 Stat. 3074. (3) The second sentence of section 301(c) of the Small Business and Federal Procurement Competition Enhancement Act of 1984 (41 U.S.C. 418a note) is amended by striking out "July 1, 1985" and inserting in lieu thereof "October 19, 1985".

10 USC 2304 note. (e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall take effect as if included in the enactment of the Competition in Contracting Act of 1984 (title VII of division B of

98 Stat. 1175.
41 USC 251 note.

Public Law 98-369).

TITLE X—MATTERS RELATING TO ARMS CONTROL

Union of Soviet
Socialist
Republics.

SEC. 1001. POLICY ON COMPLIANCE WITH EXISTING STRATEGIC OFFENSIVE ARMS AGREEMENTS

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the United States should vigorously pursue with the Soviet Union the resolution of concerns of the United States over Soviet compliance with existing strategic arms control agreements and should seek corrective actions through confidential diplomatic channels, including, if appropriate, the Standing Consultative Commission and the Nuclear and Space Arms negotiations;

(2) the Soviet Union should take positive steps to resolve the compliance concerns of the United States about existing strategic offensive arms agreements in order to maintain the integrity of those agreements and to strengthen the positive environment necessary for the successful negotiation of a new strategic offensive arms agreement;

(3) the United States should continue, through December 31, 1986, to refrain from undercutting the provisions of existing strategic offensive arms agreements—

(A)(i) to the extent that the Soviet Union refrains from undercutting those provisions; and

(ii) if the Soviet Union actively pursues arms reduction agreements in the Nuclear and Space Arms negotiations; or

(B) until a new strategic offensive arms agreement between the United States and the Soviet Union is concluded;

President of U.S.

(4) the President—

(A) should carefully consider the impact of any change in the current policy of the United States regarding existing strategic offensive arms agreements on the long-term security interests of the United States and its allies; and

(B) should consult with Congress before making any change in that policy; and

(5) any decision by the President to continue the existing United States no-undercut policy beyond December 31, 1986, should be a matter for consultation between the President and Congress and for subsequent review and debate by Congress.

President of U.S.

(b) REQUIREMENT FOR REPORT.—Not later than February 1, 1986, the President shall submit to Congress a report containing the following:

(1) A range of projections and comparisons, on a year-by-year basis, of United States and Soviet strategic weapons dismantlements that would be required over the next five years if the United States and the Soviet Union were to adhere to a policy of not undercutting existing strategic arms control agreements.

(2) A range of projections and comparisons, on a year-by-year basis, of likely United States and Soviet strategic offensive force inventories over the next five years assuming a termination at the end of 1985 in the current no-undercut policy.

(3) An assessment of the possible Soviet political, military, and negotiating responses to the termination of the United States no-undercut policy.

(4) Recommendations regarding the future of United States interim restraint policy.

(c) **PROPOSAL OF MEASURES.**—If the President finds and reports to Congress that—

(1) the Soviet Union has violated the provisions of any strategic arms agreement; and

(2) such violations impair or threaten the security of the United States,

the President may propose to Congress such measures as he considers necessary to protect the security of the United States.

Defense and national security.

(d) **SCOPE OF POLICY.**—Nothing in this section shall be construed—

(1) to restrain or inhibit the constitutional powers of the President;

(2) to endorse unilateral United States compliance with existing strategic arms agreements;

(3) as prohibiting the United States from carrying out proportionate responses to Soviet undercutting of strategic arms provisions;

(4) as prohibiting or delaying the development, flight testing, or deployment of the small intercontinental ballistic missile (SICM) as authorized by law; or

(5) as establishing a precedent to continue the no-undercut policy beyond December 31, 1986.

SEC. 1002. ANNUAL REPORT ON SOVIET COMPLIANCE WITH ARMS CONTROL COMMITMENTS

President of U.S.
22 USC 2592a.

Not later than December 1, 1985, and not later than December 1 of each following year, the President shall submit to the Congress a report (in both classified and unclassified versions) containing, with respect to the compliance of the Soviet Union with its arms control commitments, the findings of the President and any additional information necessary to keep the Congress currently informed.

SEC. 1003. STUDY OF ARMS CONTROL VERIFICATION CAPABILITIES

Union of Soviet Socialist Republics.
President of U.S.

(a) **INTERAGENCY STUDY.**—The President shall provide for an interagency study with the purpose of determining possible avenues for cooperation between the United States and the Soviet Union in the development of capabilities not subject to national security restrictions for verification of compliance with arms control agreements. Areas of possible cooperation to be examined shall include—

(1) limited exchanges of data and scientific personnel; and

(2) the conduct of a joint technological effort in the area of seismic monitoring.

(b) **AGENCIES INCLUDED.**—The President shall provide for participation in the interagency study under subsection (a) by—

- (1) the Secretary of State;
- (2) the Secretary of Defense;
- (3) the Secretary of Energy;
- (4) the Director of the Arms Control and Disarmament Agency;
- (5) the heads of appropriate intelligence agencies;
- (6) the Joint Chiefs of Staff; and
- (7) such other officers as the President may designate.

(c) **REPORT.**—(1) The President shall submit to Congress a report on the results of the interagency study.

(2) The report shall be submitted in both a classified and unclassified version.

(3) The report shall be submitted not later than May 1, 1986.

SEC. 1004. SENSE OF CONGRESS RELATING TO UNITED STATES-SOVIET NEGOTIATIONS ON REDUCTION IN NUCLEAR ARMS

It is the sense of the Congress—

(1) that the President of the United States and the General Secretary of the Communist Party of the Union of Soviet Socialist Republics should be commended for their willingness to meet to discuss major issues in United States-Soviet relations; and

(2) that following thorough preparation, such meetings should be used to work for the realization of mutual, equitable, and verifiable reductions in nuclear arms.

SEC. 1005. PILOT PROGRAM FOR EXCHANGE OF CERTAIN HIGH-RANKING MILITARY AND CIVILIAN PERSONNEL WITH THE SOVIET UNION

(a) **SUBMISSION OF PLAN.**—The Secretary of Defense shall submit to the appropriate committees of Congress a plan for the establishment and operation during fiscal year 1986 of a pilot program for the exchange of visits between—

(1) high-ranking officers of the Armed Forces of the United States and high-ranking civilian officials of the Department of Defense; and

(2) corresponding high-ranking officers and officials of the Soviet Union.

(b) **REQUIREMENTS OF PLAN.**—Such plan shall include—

(1) specific identification of the United States officers and officials selected for participation in the program;

(2) the proposed length of the exchange visits with the Soviet Union;

(3) a description of the specific goals of each exchange visit;

(4) an estimate of the cost to the United States of participation in each visit;

(5) a description of any special actions that will be taken to protect classified information of the United States during any visit to the United States by officers or officials of the Soviet Union who are participating in the program; and

(6) any other details of the program that the Secretary considers appropriate.

(c) **AVAILABILITY OF FUNDS.**—Of the funds appropriated pursuant to section 301(a), the sum of \$100,000 shall be available only for costs required for participation by the United States in the pilot program

described in subsection (a), including costs for travel, subsistence, and other support expenses.

(d) **DEADLINE FOR PLAN.**—The Secretary shall submit the plan required by subsection (a) not later than December 1, 1985.

SEC. 1006. REPORT ON NUCLEAR WINTER FINDINGS AND POLICY IMPLICATIONS

(a) **CONTINUED PARTICIPATION IN INTERAGENCY STUDIES.**—Notwithstanding any limitation in any other provision of this Act, the Secretary of Defense, in accordance with section 1107(a) of the Department of Defense Authorization Act, 1985 (Public Law 98-525), shall participate in any comprehensive interagency study conducted on the atmospheric, climatic, environmental, and biological consequences of nuclear war and the implications that such consequences have for the nuclear weapons strategy and policy, the arms control policy, and the civil defense policy of the United States.

98 Stat. 2583.

(b) **REPORT ON NUCLEAR WINTER FINDINGS.**—Not later than March 1, 1986, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives an unclassified report suitable for release to the public, together with classified addenda (if required), concerning the subject described in subsection (a). The Secretary shall include in such report the following:

(1) A detailed review and assessment of the findings in the current body of domestic and international scientific literature on the atmospheric, climatic, environmental, and biological consequences of nuclear explosions and nuclear exchanges.

(2) A thorough evaluation of the implications that such findings have on—

(A) the nuclear weapons policy of the United States, especially with regard to strategy, targeting, planning, command, control, procurement, and deployment;

(B) the nuclear arms control policy of the United States; and

(C) the civil defense policy of the United States.

(3) A discussion of the manner in which the results of such evaluation of policy implications will be incorporated into the nuclear weapons, arms control, and civil defense policies of the United States.

(4) An analysis of the extent to which current scientific findings on the consequences of nuclear explosions are being studied, disseminated, and used in the Soviet Union.

Union of Soviet
Socialist
Republics.

TITLE XI—MATTERS RELATING TO NATO

SEC. 1101. LIMITED AUTHORITY TO EXCEED PERMANENT CEILING ON UNITED STATES FORCES ASSIGNED TO NATO

Section 1002(c)(1) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2575), is amended by adding at the end thereof the following new sentence: "The Secretary of Defense may exceed such permanent ceiling in any year by a number equal to not more than ½ of 1 percent for the purpose of achieving sound management in the rotation of members of the Armed Forces of the United States to and from assignment to permanent duty ashore in European member nations of NATO, but only if the Secretary determines that the increase in such year is necessary for such purpose."

22 USC 1928
note.

Armed Forces.

SEC. 1102. NORTH ATLANTIC TREATY ORGANIZATION COOPERATIVE PROJECTS

Ante, p. 199. (a) **REVISION OF AUTHORITY.**—(1) Section 27 of the Arms Export Control Act (22 U.S.C. 2767) is amended to read as follows:

“NORTH ATLANTIC TREATY ORGANIZATION COOPERATIVE PROJECTS

International agreements.

“SEC. 27. (a) The President may enter into a cooperative project agreement with the North Atlantic Treaty Organization (NATO) or with one or more member countries of that organization.

“(b) As used in this section—

“(1) the term ‘cooperative project’ means a jointly managed arrangement, described in a written agreement among the parties, which is undertaken in order to further the objectives of standardization, rationalization, and interoperability of the armed forces of North Atlantic Treaty Organization member countries and which provides—

“(A) for one or more of the other participants to share with the United States the costs of research on and development, testing, evaluation, or joint production (including follow-on support) of certain defense articles;

“(B) for concurrent production in the United States and in another member country of a defense article jointly developed in accordance with clause (A); or

“(C) for procurement by the United States of a defense article or defense service from another member country; and

“(2) the term ‘other participant’ means a participant in a cooperative project other than the United States.

“(c) Each agreement for a cooperative project shall provide that the United States and each of the other participants will contribute to the cooperative project its equitable share of the full cost of the cooperative project and will receive an equitable share of the results of the cooperative project. The full costs of such cooperative project shall include overhead and administrative costs. The United States and the other participants may contribute their equitable shares of the full cost of such cooperative project in funds or in defense articles or defense services needed for the project. Military assistance and financing received from the United States Government may not be used by any other participant to provide its share of the cost of such cooperative project. Such agreements shall provide that no requirement shall be imposed by a participant for worksharing or other industrial or commercial compensation in connection with such agreement that is not in accordance with such agreement.

Contracts.

“(d) The President may enter into contracts or incur other obligations for a cooperative project on behalf of the other participants, without charge to any appropriation or contract authorization, if each of the other participants in the cooperative project agrees (1) to pay its equitable share of the contract or other obligations, and (2) to make such funds available in such amounts and at such times as may be required by the contract or such other obligations and to pay any damages and costs that may accrue from the performance of or cancellation of such contract or other obligations in advance of the time such payments, damages, or costs are due.

“(e) With the approval of the Secretary of State and the Secretary of Defense, a cooperative agreement entered into by the United States before the date of the enactment of the Department of

Defense Authorization Act, 1986, that otherwise meets the requirements of this section may be treated on and after such date as having been made under this section.

Ante, p. 583.

“(f)(1) For those cooperative projects entered into on or after the date of the enactment of the Department of Defense Authorization Act, 1986, the President may reduce or waive the charge or charges which would otherwise be considered appropriate under section 21(e) of this Act in connection with sales under sections 21 and 22 of this Act when such sales are made as part of the cooperative project. However, the President may reduce or waive such charge or charges only if the other participants agree to reduce or waive corresponding charges.

Ante, p. 197.
22 USC 2762.

“(2) Notwithstanding section 21(e)(1)(A) and section 43(b) of this Act, administrative surcharges shall not be increased on other sales made under this Act in order to compensate for reductions or waivers of such surcharges under this section. Funds received pursuant to such other sales shall not be available to reimburse the costs incurred by the United States Government for which reduction or waiver is approved by the President under this section.

Ante, p. 204.

“(g) Not less than 15 days before a cooperative project agreement is signed on behalf of the United States, the President shall transmit to the Speaker of the House of Representatives, the chairman of the Committee on Foreign Relations of the Senate, and the chairman of the Committee on Armed Services of the Senate a numbered certification with respect to such proposed agreement, setting forth—

“(A) a detailed description of the cooperative project with respect to which the certification is made;

“(B) an estimate of the quantity of the defense articles expected to be produced in furtherance of such cooperative project;

“(C) an estimate of the full cost of the cooperative project, with an estimate of that part of the full cost to be incurred by the United States Government for its participation in such cooperative project and an estimate of that part of the full costs to be incurred by the other participants;

“(D) an estimate of the dollar value of the funds to be contributed by the United States and each of the other participants on behalf of such cooperative project;

“(E) a description of the defense articles and defense services expected to be contributed by the United States and each of the other participants on behalf of such cooperative project;

“(F) a statement of the foreign policy and national security benefits anticipated to be derived from such cooperative project; and

“(G) to the extent known, whether it is likely that prime contracts will be awarded to particular prime contractors or subcontracts will be awarded to particular subcontractors to comply with the proposed agreement.

“(h) Section 36(b) of this Act shall not apply to sales made under section 21 or 22 of this Act and to production and exports made pursuant to cooperative projects under this section, and section 36(c) of this Act shall not apply to the issuance of licenses or other approvals under section 38 of this Act, if such sales are made, such production and exports ensue, or such licenses or approvals are issued as part of a cooperative project.

Ante, p. 203.

Ante, pp. 156,
203, 204.

Ante, p. 197.
22 USC 2762. “(i) The authority under this section is in addition to the authority under sections 21 and 22 of this Act and under any other provision of law.

Ante, p. 583. “(j) Notwithstanding the amendments made to this section by the Department of Defense Authorization Act, 1986, projects entered into under this section before the date of such amendments may be carried through to conclusion in accordance with the terms of this section as in effect immediately before the effective date of amendments.”

Ante, p. 201. (2) Section 2(b) of such Act (22 U.S.C. 2752(b)) is amended to read as follows:

“(b) Under the direction of the President, the Secretary of State (taking into account other United States activities abroad, such as military assistance, economic assistance, and food for peace program) shall be responsible for the continuous supervision and general direction of sales, leases, financing, cooperative projects, and exports under this Act, including, but not limited to, determining—

“(1) whether there will be a sale to or financing for a country and the amount thereof;

“(2) whether there will be a lease to a country;

“(3) whether there will be a cooperative project and the scope thereof; and

“(4) whether there will be delivery or other performance under such sale, lease, cooperative project, or export, to the end that sales, financing, leases, cooperative projects, and exports will be integrated with other United States activities and to the end that the foreign policy of the United States would be best served thereby.”

Ante, p. 201. (3) Section 3(a) of such Act (22 U.S.C. 2753(a)) is amended—

(A) in the text preceding clause (1), by inserting “, and no agreement shall be entered into for a cooperative project (as defined in section 27(b) of this Act),” after “international organization,”;

Ante, p. 199.

(B) in paragraph (2)—

(i) by inserting “, or produced in a cooperative project (as defined in section 27 of this Act)” after “so furnished to it”;

(ii) by inserting “(or the North Atlantic Treaty Organization or the specified member countries (other than the United States) in case of a cooperative project)” after “international organization” the second place it appears; and

(C) in paragraph (3), by inserting “or service” after “such article” both places it appears.

Ante, p. 201. (4) Section 42(e) of such Act (22 U.S.C. 2791(e)) is amended—

Ante, p. 199. (A) in paragraph (1), by inserting “, and each contract entered into under section 27(d) of this Act,” after “of this Act”; and

(B) in paragraph (3), by inserting “or under contracts entered into under section 27(d) of this Act” after “of this Act”.

22 USC 2752
note.

(5) The amendments made by this subsection are repealed effective as of the effective date of similar amendments to the Arms Export Control Act in the International Security and Development Cooperative Act of 1985 or any other law.

Ante, p. 190.

(b) AMENDMENT TO TITLE 10, UNITED STATES CODE.—(1) Chapter 141 of title 10, United States Code (as amended by section 917), is amended by adding at the end thereof the following new section:

Ante, p. 689.

“§ 2407. Acquisition of defense equipment under North Atlantic Treaty Organization cooperative projectsContracts.
10 USC 2407.

“(a)(1) If the President delegates to the Secretary of Defense the authority to carry out section 27(d) of the Arms Export Control Act (22 U.S.C. 2767(d)), relating to North Atlantic Treaty Organization (NATO) cooperative projects (as defined in such section), the Secretary may utilize his authority under this title in carrying out contracts or obligations incurred under such section.

Ante, p. 199.

“(2) Except as provided in subsection (c), chapter 137 of this title shall apply to such contracts (referred to in paragraph (1)) entered into by the Secretary of Defense. Except to the extent waived under subsection (c) or some other provision of law, all other provisions of law relating to procurement, if otherwise applicable, shall apply to such contracts entered into by the Secretary of Defense.

10 USC 2301 *et seq.*

“(b) When contracting or incurring obligations under section 27(d) of the Arms Export Control Act for cooperative projects, the Secretary of Defense may require subcontracts to be awarded to particular subcontractors in furtherance of the cooperative project.

“(c)(1) Subject to paragraph (2), when entering into contracts or incurring obligations under section 27(d) of the Arms Export Control Act outside the United States, the Secretary of Defense may waive with respect to any such contract or subcontract the application of any provision of law, other than a provision of the Arms Export Control Act or section 2304 of this title, that specifically—

“(A) prescribe procedures to be followed in the formation of contracts;

“(B) prescribe terms and conditions to be included in contracts;

“(C) prescribe requirements for or preferences to be given to goods grown, produced, or manufactured in the United States or in United States Government-owned facilities or for services to be performed in the United States; or

“(D) prescribe requirements regulating the performance of contracts.

22 USC 2751
note.
98 Stat. 1187.
10 USC 2304.

“(2) A waiver may not be made under paragraph (1) unless the Secretary determines that the waiver is necessary to ensure that the cooperative project will significantly further NATO standardization, rationalization, and interoperability.

“(3) The authority of the Secretary to make waivers under this subsection may be delegated only to the Deputy Secretary of Defense or the Acquisition Executive designated for the Office of the Secretary of Defense.

“(d)(1) The Secretary of Defense shall notify the Congress each time he requires that a prime contract be awarded to a particular prime contractor or that a subcontract to be awarded to a particular subcontractor to comply with a cooperative agreement. The Secretary shall include in each such notice the reason for exercising his authority to designate a particular contractor or subcontractor, as the case may be.

“(2) The Secretary shall also notify the Congress each time he exercises a waiver under subsection (c) and shall include in such notice the particular provision or provisions of law that were waived.

“(3) A report under this subsection shall be required only to the extent that the information required by this subsection has not been

Report.

Ante, p. 199.

provided in a report made by the President under section 27(e) of the Arms Export Control Act (22 U.S.C. 2767(e)).

“(e)(1) In carrying out a cooperative project under section 27 of the Arms Export Control Act, the Secretary of Defense may agree that a participant (other than the United States) may make a contract for requirements of the United States under the project if the Secretary determines that such a contract will significantly further NATO standardization, rationalization, and interoperability. Except to the extent waived under this section or under any other provision of law, the Secretary shall ensure that such contract will be made on a competitive basis and that United States sources will not be precluded from competing under the contract.

“(2) If a participant (other than the United States) in a NATO cooperative project makes a contract on behalf of such project to meet the requirements of the United States, the contract may permit the contracting party to follow its own procedures relating to contracting.

“(f) In carrying out a cooperative project, the Secretary of Defense may also agree to the disposal of property that is jointly acquired by the members of the project without regard to any laws of the United States applicable to the disposal of property owned by the United States. Disposal of such property may include a transfer of the interest of the United States in such property to one of the other governments participating in the cooperative agreement or the sale of such property. Payment for the transfer or sale of any interest of the United States in any such property shall be made in accordance with the terms of the cooperative agreement.

“(g) Nothing in this section shall be construed as authorizing—

“(1) the Secretary of Defense to waive any of the financial management responsibilities administered by the Secretary of the Treasury; or

“(2) to waive the cargo preference laws of the United States, including the Military Cargo Preference Act of 1904 (10 U.S.C. 2631) and the Cargo Preference Act of 1954 (46 U.S.C. 1241(b)).”

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

“2407. Acquisition of defense equipment under North Atlantic Treaty Organization cooperative projects.”

10 USC 2407
note.

SEC. 1103. NATO COOPERATIVE RESEARCH AND DEVELOPMENT

(a) FINDINGS.—The Congress hereby finds—

(1) that for more than a decade the member nations of the North Atlantic Treaty Organization (NATO) have provided in the aggregate significantly larger resources for defense purposes than have the member nations of the Warsaw Treaty Organization;

(2) that, despite this fact, the Warsaw Treaty Organization member nations have produced and deployed many more major combat items such as tanks, armored personnel carriers, artillery pieces and rocket launchers, armed helicopters, and tactical combat aircraft than have the member nations of NATO; and

(3) that a major reason for this discouraging performance by NATO is inadequate cooperation among NATO nations in research, development, and production of military end-items of equipment and munitions.

(b) **CONGRESSIONAL REQUEST FOR COOPERATION ON R&D.**—The Congress, therefore, urges and requests the President, the Secretary of Defense, and the United States Representative to the North Atlantic Treaty Organization to pursue diligently opportunities for member nations of NATO to cooperate—

(1) in research and development on defense equipment and munitions; and

(2) in the production of defense equipment, including—

(A) coproduction of conventional defense equipment by the United States and other member nations of NATO; and

(B) production by United States contractors of conventional defense equipment designed and developed by other member nations of NATO.

(c) **FUNDS FOR COOPERATIVE PROJECTS.**—(1) Of the funds appropriated pursuant to the authorizations in section 201(a) \$200,000,000 shall be available, in equal amounts, to the Army, Navy, Air Force, and Defense Agencies only for NATO cooperative research and development projects as provided in this section.

Ante, p. 605.

(2) As used in this section, the term “cooperative research and development project” means a project involving joint participation by the United States and one or more other member nations of NATO under a memorandum of understanding (or other formal agreement) to carry out a joint research and development program—

(A) to develop new conventional defense equipment and munitions; or

(B) to modify existing military equipment to meet United States military requirements.

(d) **RESTRICTIONS.**—(1) A memorandum of understanding (or other formal agreement) to conduct a cooperative research and development project may not be entered into unless the Secretary of Defense determines that the proposed project enhances the ongoing multinational effort to improve NATO’s conventional defense capabilities through the application of emerging technology.

(2) The Secretary may not delegate the authority to make a determination under paragraph (1) except to the Deputy Secretary of Defense or the Under Secretary of Defense for Research and Engineering.

(e) **RESTRICTIONS ON PROCUREMENT OF EQUIPMENT AND SERVICES.**—In order to assure substantial participation on the part of other member nations of NATO in approved cooperative research and development projects, funds made available under subsection (c) for such projects may not be used to procure equipment or services from any foreign government, foreign research organization, or other foreign entity.

(f) **COOPERATIVE OPPORTUNITIES DOCUMENT.**—(1)(A) In order to ensure that opportunities to conduct cooperative research and development projects are considered during the early decision points in the Department of Defense’s formal development review process in connection with any planned project of the Department of Defense, the Under Secretary of Defense for Research and Engineering shall prepare a formal arms cooperation opportunities document for review by the Defense Systems Acquisition Review Council at its formal meetings.

(B) The Under Secretary shall also prepare an arms cooperation opportunities document for review of each new project for which a Justification of Major Systems New Start document is prepared.

(2) The formal arms cooperation opportunities document referred to in paragraph (1) shall include the following:

(A) A statement indicating whether or not a project similar to the one under consideration by the Department of Defense is in development or production by one or more of the other NATO member nations.

(B) If a project similar to the one under consideration by the Department of Defense is in development by one or more other member nations of NATO, an assessment by the Under Secretary of Defense for Research and Engineering as to whether that project could satisfy, or could be modified in scope so as to satisfy, the military requirements of the project of the United States under consideration by the Department of Defense.

(C) An assessment of the advantages and disadvantages with regard to program timing, developmental and life cycle costs, technology sharing, and Rationalization, Standardization, and Interoperability (RSI) of seeking to structure a cooperative development program with one or more other NATO member nations.

(D) The recommendation of the Under Secretary of Defense for Research and Engineering as to whether the Department of Defense should explore the feasibility and desirability of a cooperative development program with one or more other member nations of NATO.

(g) **SIDE-BY-SIDE TESTING.**—(1) It is the sense of Congress—

(A) that the Department of Defense should perform more side-by-side testing of conventional defense equipment manufactured by the United States and other member nations of NATO; and

(B) that such testing should be conducted at the late stage of the development process when there is usually only a single United States prime contractor.

(2) In addition to any funds appropriated for activities of the Director of Defense Test and Evaluation pursuant to section 201(a), \$50,000,000 shall be available to the Director, from any other funds appropriated to the Department of Defense for fiscal year 1986, for the acquisition of items of the type specified in paragraph (3) manufactured by other member nations of NATO for side-by-side comparison testing with comparable items of United States manufacture.

Ante, p. 605.

(3) Items that may be acquired by the Director of Defense Test and Evaluation under paragraph (2) include the following:

(A) Submunitions and dispensers.

(B) Anti-tank and anti-armor guided missiles.

(C) Mines, for both land and naval warfare.

(D) Runway-cratering devices.

(E) Torpedoes.

(F) Mortar systems.

(G) Light armored vehicles and major subsystems thereof.

(H) Utility vehicles.

(I) High-velocity anti-tank guns.

(J) Short-Range Air Defense Systems (SHORADS).

(K) Mobile air defense systems and components.

(4) The Director of Defense Test and Evaluation shall notify the Committees on Armed Services and on Appropriations of the Senate and House of Representatives of his intent to obligate funds made

available to carry out this subsection not less than 30 days before such funds are obligated.

(5) Not later than February 1 of each year, the Director of Defense Test and Evaluation shall submit to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a report—

(A) on the systems, subsystems, and munitions produced by other member nations of NATO that were evaluated during the previous fiscal year by the Director; and

(B) on the obligation of any funds under this subsection during the previous fiscal year.

(h) SECRETARY TO ENCOURAGE SIMILAR NATO PROGRAMS.—The Secretary of Defense shall encourage other member nations of NATO to establish programs similar to the one provided for in this section.

TITLE XII—DEPARTMENT OF DEFENSE MANAGEMENT

PART A—MANAGEMENT OF FACILITIES AND DOD ORGANIZATION

SEC. 1201. ANNUAL SELECTED ACQUISITION REPORTS

Subsection (c) of section 139a of title 10, United States Code, is amended to read as follows:

“(c)(1) Each Selected Acquisition Report for the first quarter for a fiscal year shall include—

“(A) the same information, in detailed and summarized form, as is provided in reports submitted under section 139 of this title;

“(B) the current program acquisition unit cost for each major defense acquisition program included in the report and the history of that cost from the date the program was first included in a Selected Acquisition Report to the end of the quarter for which the current report is submitted; and

“(C) such other information as the Secretary of Defense considers appropriate.

“(2) Each Selected Acquisition Report for the first quarter of a fiscal year shall be prepared and submitted with the same content as was used for the Selected Acquisition Report for the first quarter of fiscal year 1984.

“(3) In addition to the material required by paragraphs (1) and (2), each Selected Acquisition Report for the first quarter of a fiscal year shall include—

“(A) a full life-cycle cost analysis for each major defense acquisition program included in the report that—

“(i) is in the full-scale engineering development stage or has completed that stage; and

“(ii) was first included in a Selected Acquisition Report for a quarter after the first quarter of fiscal year 1985;

“(B) if the system that is included in that major defense acquisition program has an antecedent system, a full life-cycle cost analysis for that system; and

“(C) production information for each major defense acquisition program included in the report, including (with respect to each such program)—

10 USC 139.

“(i) specification of the baseline production rate for each year of production of the program, defined as the production rate for each fiscal year through completion of procurement assumed in the decision to proceed with production (commonly referred to as the “Milestone III” decision);

“(ii) specification of the production rate for each fiscal year through completion of procurement assumed in the cost-effectiveness analysis prepared in conjunction with the decision to proceed with full-scale engineering development (commonly referred to as the “Milestone II” decision);

“(iii) specification of the maximum production rate for each year of production under the program, defined as the production rate for each fiscal year through completion of procurement attainable with the facilities and tooling currently programmed to be available for procurement under the program or otherwise provided by Government funds;

“(iv) specification of the current production rate for each year of production, defined as the production rate for the fiscal year during which the report is submitted and the annual production rate currently programmed for each subsequent fiscal year through completion of procurement, based on the President’s Budget for the following fiscal year;

“(v) estimation of any cost variance—

“(I) between the program acquisition unit cost at the current production rate specified under clause (iv) and the program acquisition unit cost at the baseline production rate specified under clause (i); and

“(II) between the total program cost at the current production rate specified under clause (iv) and the total program cost at the baseline production rate specified under clause (i);

“(vi) estimation of any cost variance—

“(I) between the program acquisition unit cost at the current production rate specified under clause (iv) and the program acquisition unit cost at the maximum production rate specified under clause (iii); and

“(II) between the total program cost at the current production rate specified under clause (iv) and the total program cost at the maximum production rate specified under clause (iii); and

“(vii) estimation of any schedule or delivery variance—

“(I) between total quantities assumed in the baseline production rate specified under clause (i) and the current production rate specified under clause (iv); and

“(II) total quantities assumed in the maximum production rate specified under clause (iii) and the current production rate specified under clause (iv).

“(4) Selected Acquisition Reports for the first quarter of a fiscal year shall be known as comprehensive annual Selected Acquisition Reports.”.

SEC. 1202. BASE CLOSURES AND REALIGNMENTS

98 Stat. 2624.

(a) **IN GENERAL.**—Section 2687 of title 10, United States Code, is amended to read as follows:

“§ 2687. Base closures and realignments

“(a) Notwithstanding any other provision of law, no action may be taken to effect or implement—

“(1) the closure of any military installation at which at least 300 civilian personnel are authorized to be employed;

“(2) any realignment with respect to any military installation referred to in paragraph (1) involving a reduction by more than 1,000, or by more than 50 percent, in the number of civilian personnel authorized to be employed at such military installation at the time the Secretary of Defense or the Secretary of the military department concerned notifies the Congress under subsection (b) of the Secretary’s plan to close or realign such installation; or

“(3) any construction, conversion, or rehabilitation at any military facility other than a military installation referred to in clause (1) or (2) which will or may be required as a result of the relocation of civilian personnel to such facility by reason of any closure or realignment to which clause (1) or (2) applies,

unless and until the provisions of subsection (b) are complied with.

“(b) No action described in subsection (a) with respect to the closure of, or a realignment with respect to, any military installation referred to in such subsection may be taken unless and until—

“(1) the Secretary of Defense or the Secretary of the military department concerned notifies the Committees on Armed Services of the Senate and House of Representatives, as part of an annual request for authorization of appropriations to such Committees, of the proposed closing or realignment and submits with the notification an evaluation of the fiscal, local economic, budgetary, environmental, strategic, and operational consequences of such closure or realignment; and

“(2) a period of 30 legislative days or 60 calendar days, whichever is longer, expires following the day on which the notice and evaluation referred to in clause (1) have been submitted to such committees, during which period no irrevocable action may be taken to effect or implement the decision.

“(c) This section shall not apply to the closure of a military installation, or a realignment with respect to a military installation, if the President certifies to the Congress that such closure or realignment must be implemented for reasons of national security or a military emergency.

“(d)(1) After the expiration of the period of time provided for in subsection (b)(2) with respect to the closure or realignment of a military installation, funds which would otherwise be available to the Secretary to effect the closure or realignment of that installation may be used by him for such purpose.

“(2) Nothing in this section restricts the authority of the Secretary to obtain architectural and engineering services under section 2807 of this title.

“(e) In this section:

“(1) ‘Military installation’ means a base, camp, post, station, yard, center, or other activity under the jurisdiction of the Secretary of a military department which is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, or Guam. Such term does not include any facility used primarily

for civil works, rivers and harbors projects, or flood control projects.

“(2) ‘Civilian personnel’ means direct-hire, permanent civilian employees of the Department of Defense.

“(3) ‘Realignment’ includes any action which both reduces and relocates functions and civilian personnel positions, but does not include a reduction in force resulting from workload adjustments, reduced personnel or funding levels, skill imbalances, or other similar causes.

“(4) ‘Legislative day’ means a day on which either House of Congress is in session.”.

10 USC 2687 note.

Ante, p. 717.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to closures and realignments completed on or after the date of the enactment of this Act, except that any action taken to effect or implement any closure or realignment for which a public announcement was made pursuant to section 2687(b)(1) of title 10, United States Code, after April 1, 1985, and before the date of enactment of this Act shall be subject to the provisions of section 2687 of such title as in effect on the day before such date of enactment.

SEC. 1203. DEMONSTRATION PROJECT TO TEST THE USE OF A CERTAIN COMPUTER SYSTEM IN MILITARY HOSPITALS

(a) TEST OF VETERANS’ ADMINISTRATION DECENTRALIZED HOSPITAL COMPUTER PROGRAM (DHCP).—The Secretary of Defense (hereinafter in this section referred to as the “Secretary”) shall carry out a demonstration project for the purpose of testing the use in military hospitals of the hospital-management computer system of the Veterans’ Administration known as the Veterans’ Administration’s decentralized hospital computer program. The purpose of the test shall be to determine the feasibility and cost-effectiveness of the use in military hospitals of such system rather than the use of a centralized hospital-management computer system, including the Composite Health-Care System.

(b) DURATION AND LOCATION OF DEMONSTRATION PROJECT.—The demonstration project under subsection (a) shall be carried out over a six-month period beginning on March 1, 1986, in two military hospitals. One of such hospitals shall be the hospital at March Air Force Base, and the test of the Veterans’ Administration decentralized hospital computer program at such Air Force Base shall be expanded to meet the requirements of this section. The second hospital at which the demonstration project shall be carried out shall be designated by the Secretary of Defense. Such hospital may not be under the jurisdiction of the Secretary of the Air Force and shall be significantly larger than the hospital at March Air Force Base.

(c) USE OF ALL COMPONENTS OF DHCP.—The Secretary, in consultation with the Administrator of Veterans’ Affairs, shall ensure that all available components of the Veterans’ Administration system referred to in subsection (a) (including equipment and software) are used at their current functional level in each hospital in which the system is tested under this section.

(d) ASSISTANCE FROM VETERANS’ ADMINISTRATION.—The Administrator of Veterans’ Affairs shall provide, on a reimbursable basis, such personnel and equipment as are requested by the Secretary and determined by the Administrator to be available in order to

assist the Secretary in carrying out the demonstration project under subsection (a).

(e) **REPORT BY SECRETARY OF DEFENSE.**—The Secretary shall transmit to Congress a report describing the demonstration project carried out under this section. Such report shall include specific findings and conclusions by the Secretary, and by the Secretary of each military department, with respect to the feasibility and cost-effectiveness of using the Veterans' Administration system referred to in subsection (a) in military hospitals, including the cost advantage that would accrue from acquiring a hospital-management computer system in the near term rather than the date that would apply if the Secretary were to acquire a centralized computer system, including the Composite Health-Care System.

(f) **COMPTROLLER GENERAL EVALUATION AND REPORTS.**—(1) The Comptroller General shall evaluate—

(A) the acquisition and implementation of the Composite Health-Care System; and

(B) the conduct of the demonstration project.

(2) The Comptroller General shall submit to Congress the reports specified in subsection (g) with respect to such evaluations and such other reports on such evaluations as may be appropriate.

(3) The evaluations required by paragraph (1) shall include consideration of—

(A) whether the Department of Defense has carried out the demonstration project in accordance with this section;

(B) the results of the demonstration project, including the feasibility and cost-effectiveness of using the Veterans' Administration system referred to in subsection (a) in military hospitals in lieu of the Composite Health-Care System; and

(C) the competitive acquisition process followed by the Department of Defense in making the selection of, and contract awards to, vendors for the Composite Health-Care System.

(g) **RESTRICTIONS.**—(1) The Secretary may not select vendors for the competition phase of the acquisition of the Composite Health-Care System or enter into any contract related to that phase until the earlier of—

(A) June 1, 1986; or

(B) the end of the 60-day period beginning on the date the Comptroller General submits a report under subsection (f) on the competitive acquisition process followed by the Department of Defense in selecting vendors for such competition phase.

(2) The Secretary may not enter into a contract for the procurement of a centralized computer system for military hospitals, including the Composite Health-Care System, until the Secretary—

Contract.

(A) evaluates the results of the project carried out under this section in accordance with subsection (e);

(B) submits to Congress a report on such evaluation; and

(C) a period of 60 days has passed after receipt by Congress of that report.

(3) The Secretary may not make the final selection of a vendor or enter into a contract for the procurement of a centralized computer system for military hospitals, including the Composite Health-Care System, until the earlier of—

Contract.

(A) July 1, 1987; or

(B) the end of the 60-day period beginning on the date on which the Comptroller General submits a report under subsection (f) on—

(i) the results of the demonstration project carried out under this section; and

(ii) the competitive acquisition process followed by the Department of Defense leading to the final selection of a vendor.

(h) **DEFINITIONS.**—In this section:

(1) The term “military hospital” means a hospital or medical center under the jurisdiction of the Secretary of a military department.

(2) The term “Composite Health-Care System” means the centralized hospital-management computer system that the Department of Defense is in the process of acquiring (as of the date of the enactment of this Act) for its medical facilities.

SEC. 1204. CONTINUED OPERATION BY THE SECRETARY OF DEFENSE OF THE DEFENSE DEPENDENTS’ EDUCATION SYSTEM

Repeals.

(a) **AMENDMENTS TO DEPARTMENT OF EDUCATION ORGANIZATION ACT.**—(1) Sections 202(e), 208, 302, and 401(f), of the Department of Education Organization Act (20 U.S.C. 3412(e), 3418, 3442, and 3461(f)), are repealed.

(2) Section 419(a) of such Act (20 U.S.C. 3479(a)) is amended—

(A) by striking out “(1)” after “(a)”; and

(B) by striking out paragraph (2).

(3) Section 503(a) of such Act (20 U.S.C. 3503(a)) is amended—

(A) by striking out “(1)” after “(a)”; and

(B) by striking out paragraph (2).

(4) The table of contents at the beginning of such Act is amended by striking out the items relating to sections 208 and 302.

(5) Section 414(b) of such Act (20 U.S.C. 3474(b)) is amended by striking out “302.”.

(b) **AMENDMENTS TO DEFENSE DEPENDENTS’ EDUCATION ACT OF 1978.**—(1) Section 1402 of the Defense Dependents’ Education Act of 1978 (20 U.S.C. 921) is amended by adding at the end thereof the following new subsection:

“(c) The Secretary of Defense shall consult with the Secretary of Education on the educational programs and practices of the defense dependents’ education system.”.

(2)(A) Subsection (a)(1) of section 1410 of such Act (20 U.S.C. 928) is amended by adding at the end thereof the following new sentence: “The membership of each such advisory committee shall also include one nonvoting member designated by the organization recognized as the exclusive bargaining representative of the employees working at the school.”.

(B) The first sentence of subsection (b) of such section is amended by striking out “Members” and inserting in lieu thereof “Except in the case of a nonvoting member designated under the last sentence of subsection (a)(1), members”.

(C) The second sentence of such subsection is amended by striking out “The Secretary of Education, in consultation with the Secretary of Defense,” and inserting in lieu thereof “The Secretary of Defense”.

(3)(A) Subsection (a) of section 1411 of such Act (20 U.S.C. 929) is amended to read as follows:

“(a)(1) There is established in the Department of Defense an Advisory Council on Dependents’ Education (hereinafter in this section referred to as the ‘Council’). The Council shall be composed of—

Advisory Council
on Dependents’
Education,
establishment.

“(A) the Secretary of Defense and the Secretary of Education, or their respective designees;

“(B) 12 individuals appointed jointly by the Secretary of Defense and the Secretary of Education who shall be individuals who have demonstrated an interest in the field of primary or secondary education and who shall include representatives of professional employee organizations, school administrators, and parents of students enrolled in the defense dependents’ education system, and one student enrolled in such system; and

“(C) a representative of the Secretary of Defense and of the Secretary of Education.

“(2) Individuals appointed to the Council from professional employee organizations shall be individuals designated by those organizations.

“(3) The Secretary of Defense, or the Secretary’s designee, and the Secretary of Education, or the Secretary’s designee, shall serve as cochairmen of the Council.

“(4) The Director shall be the Executive Secretary of the Council.”.

(4) Subsection (b)(1) of such section is amended by inserting “the Secretary of Defense and” before “the Secretary of Education”.

(5) Subsection (c) of such section is amended—

(A) by striking out “at least four times each year” and inserting in lieu thereof “at least two times each year”;

(B) by striking out paragraph (2);

(C) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively; and

(D) by striking out “Secretary of Education” in paragraph (4) (as redesignated by subparagraph (C) of this paragraph) and inserting in lieu thereof “Secretary of Defense”.

(c) CONFORMING AMENDMENT.—Section 5316 of title 5, United States Code, is amended by striking out “Administrator of Education for Overseas Dependents, Department of Education.”.

SEC. 1205. AUTHORITY TO ENROLL CERTAIN CHILDREN IN OVERSEAS SCHOOLS OF THE DEFENSE DEPENDENTS’ EDUCATION SYSTEM

Section 1404 of the Defense Dependents’ Education Act of 1978 (20 U.S.C. 923) is amended by adding at the end thereof the following new subsection:

“(d)(1) The Secretary of Defense may authorize the enrollment in schools of the defense dependents’ education system of children in the following classes:

“(A) Children of officers and employees of the United States (including employees of nonappropriated fund activities of the Department of Defense) stationed in overseas areas.

“(B) Children of employees of contractors employed in carrying out work for the United States in overseas areas.

“(C) Children of other citizens or nationals of the United States or of foreign nationals, if the Secretary determines that enrollment of such children is in the national interest.

“(2) Notwithstanding subsection (c), the Secretary may not waive the tuition requirements of subsection (b)(1) with respect to children referred to in paragraph (1).”.

SEC. 1206. LIMITATION ON SIZE OF HEADQUARTERS STAFFS

(a) **FREEZE ON HEADQUARTERS PERSONNEL.**—As of September 30, 1986, the total number of military and civilian personnel assigned to duty in the agencies of the Department of Defense and the military departments to perform management headquarters activities or management headquarters support activities may not exceed the total number of personnel assigned to perform such activities as of September 30, 1985.

(b) **CAP ON OSD PERSONNEL.**—The number of military and civilian personnel assigned to the Office of the Secretary of Defense as of September 30, 1986, may not exceed 1,765.

(c) **EXCLUSIONS.**—In computing the number of military and civilian personnel assigned to duty in any agency of the Department of Defense or any military department to perform management headquarters activities or management headquarters support activities, the number of personnel assigned to such duty in the National Security Agency/Central Security Service, the Defense Intelligence Agency, the Organization of the Joint Chiefs of Staff, or the Naval Intelligence Command shall not be included.

(d) **DEFINITIONS.**—For purposes of this section, the terms “management headquarters activities” and “management headquarters support activities” have the same meanings prescribed for such terms in Department of Defense Directive 5100.73 entitled “Department of Defense Management Headquarters and Headquarters Support Activities”, dated January 7, 1985.

SEC. 1207. REPORT ON ORGANIZATIONAL STRUCTURE OF THE MILITARY HEALTH-CARE DELIVERY SYSTEM

(a) **REQUIREMENT FOR REPORT.**—(1) The Secretary of Defense shall submit to Congress a report containing a plan for revising the organizational structure of the military health-care delivery system to accomplish the goals described in subsection (b). In addition to recommendations of the Secretary, the report shall contain an analysis and evaluation of the various alternatives for that organizational structure that have been proposed as well as such other measures as the Secretary considers appropriate.

(2) The report of the Secretary shall be prepared through the Office of the Assistant Secretary of Defense for Health Affairs.

(b) **GOALS.**—The goals referred to in subsection (a) are the following:

(1) Streamlining the process for allocation of resources of the military health-care delivery system, including—

(A) integrating and coordinating the planning, programming, and budgeting of military medical facilities, equipment, and staffing; and

(B) adopting uniform budgeting procedures, uniform measures of workload, and other actions to improve operational efficiency (including the elimination of incentives to the over-use of inpatient care).

(2) Improving the quality of medical care, including adoption of uniform, rigorous quality assurance standards and procedures to monitor the implementation of those standards.

(3) Reducing the cost of health care provided by the Department of Defense (in military medical facilities and under the Civilian Health and Medical Program of the Uniformed Services) through adoption or adaptation, where possible, of

competitive strategies, cost containment innovations, or other techniques from the private sector.

(4) Enhancing medical readiness, including—

(A) improving joint medical readiness planning within the continental United States and overseas;

(B) standardizing combat medical equipment;

(C) standardizing the methodology used to determine the number of personnel, force structure, and specialty mix necessary to meet wartime medical manpower requirements; and

(D) redirecting graduate medical education programs to provide training in critical combat specialties.

(c) **VIEWS OF OTHER DOD COMPONENTS.**—The Secretary of each military department and the Joint Chiefs of Staff shall each carry out an independent study of the matters described in subsection (a). The report submitted under subsection (a) shall include the results of each such study. The study carried out by the Joint Chiefs of Staff shall include comments and contributions from the commanders of each of the unified and specified commands.

Study.

(d) **DEADLINE FOR REPORT.**—The report required by subsection (a) shall be submitted not later than 6 months after the date of the enactment of this Act.

SEC. 1208. ANNUAL REPORT ON GUARD AND RESERVE EQUIPMENT

Section 138(b) of title 10, United States Code, is amended by adding at the end thereof the following new paragraph:

“(3) The Secretary shall include in each report under paragraph (2) the following:

“(A) A listing of each major item of equipment required by the Selected Reserve of the Ready Reserve of each reserve component indicating—

“(i) the full war-time requirement of that component for that item, shown in accordance with deployment schedules and requirements over successive 30-day periods following mobilization;

“(ii) the number of each such item in the inventory of the component;

“(iii) a separate listing of each such item in the inventory that is a deployable item and is not the most desired item;

“(iv) the number of each such item projected to be in the inventory at the end of the third succeeding fiscal year; and

“(v) the number of nondeployable items in the inventory as a substitute for a required major item of equipment.

“(B) A narrative explanation of the plan of the Secretary concerned to provide equipment needed to fill the war-time requirement for each major item of equipment to all units of the Selected Reserve, including an explanation of the plan to equip units of the Selected Reserve that are short major items of equipment at the outset of war.

“(C) For each item of major equipment reported under paragraph (2)(C) in a report for one of the three previous years under this subsection as an item expected to be procured for the Selected Reserve or to be transferred to the Selected Reserve, the quantity of such equipment actually procured for or transferred to the Selected Reserve.”.

SEC. 1209. MORATORIUM ON FRANCHISE AGREEMENTS BY MILITARY EXCHANGE SERVICES

(a) **IN GENERAL.**—During the period beginning on the date of enactment of this Act and ending 30 days after the date Congress receives the report required by subsection (b), but no later than May 1, 1986, the Commanders of the Army and Air Force Exchange Service, the Navy Exchange Service, and the Marine Corps Exchange Service may not begin construction of any facility that—

- (1) is located on a military installation in the United States;
- (2) is to be used for the operation of a commercial franchise business; and
- (3) is not identified in a contract, supplemental agreement to a contract, a contract solicitation, or letter of intent agreed to before the date of the enactment of this Act.

(b) **REPORT REQUIREMENT.**—(1) Not later than February 1, 1986, the Secretary of Defense shall transmit to Congress a report on current and proposed commercial franchise business operations on military installations.

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

(A) A description of current and proposed plans of the exchange services referred to in subsection (a) to operate, or to authorize the operation of, commercial franchise businesses on military installations, specifying the franchises, installations, and types of services provided or to be provided under such plans.

(B) An enumeration of any advantages to commencing or expanding commercial franchise business activities on military installations.

(C) A description of the type and value of appropriated fund support (including Federal land and facilities) provided to activities of the exchange services referred to in subsection (a).

(D) A description of review and approval procedures in effect for determining whether the exchange services will enter into new commercial business franchise activities or will expand existing commercial business franchise activities.

(E) A description of the procedure for deciding whether services should be provided under contract or franchise or by using the resources of the exchange services.

(F) A description of the process by which a military installation is selected for new or increased levels of activities of the exchange services.

(G) A description of the consideration given to the impact that the addition of a new commercial business franchise activity or an expansion of an existing commercial business franchise activity of an exchange service at a military installation will have on private commercial business operations in the vicinity of the installation.

(H) An estimate (after consultation with the Secretary of the Treasury) of—

(i) the amount of tax revenues lost annually by State and local jurisdictions as the result of the operation of commercial franchise businesses on military installations in the United States; and

(ii) the potential effect on State and local tax bases or expansion of such businesses.

(I) The legal basis for and propriety of the operation by an instrumentality of the United States of a commercial business on a military installation under a franchise arrangement.

(c) **PRIOR NOTICE TO CONGRESS.**—(1) An officer or employee of the Department of Defense may not enter into a contract for the construction of a facility for or operation of a commercial franchise business on a military installation in the United States until the Secretary of Defense notifies Congress of the intention to enter into the contract.

Contract.

(2) Paragraph (1) shall expire at the end of the two-year period beginning on the date of the enactment of this Act.

SEC. 1210. PRIORITY FOR AIR FORCE SHUTTLE OPERATIONS AND PLANNING COMPLEX

(a) **DATES FOR IOC.**—(1) The Secretary of the Air Force shall give sufficient priority to the completion of the Air Force Shuttle Operations and Planning Complex (SOPC) to ensure an initial operational capability (IOC) date for mission control at such complex in November 1992.

(2) In order to meet that IOC date, the Secretary is encouraged to maximize, to the extent feasible and practicable, commonality of design and equipments at the SOPC with the planned modernization of shuttle control facilities at the Johnson Space Flight Center.

(b) **REPORT.**—At the time of the submission to Congress of the President's budget for fiscal year 1987, the Secretary of the Air Force shall submit to the Committees on Armed Services of the Senate and House of Representatives a report setting forth a program plan by which the IOC date as specified in subsection (a) may be met.

SEC. 1211. PROVISION OF URANIUM TETRAFLUORIDE TO CONTRACTORS FOR PRODUCTION OF CONVENTIONAL AMMUNITION

(a) **IN GENERAL.**—Subject to subsection (b), the Secretary of the Army, during fiscal year 1986, may provide uranium tetrafluoride (green salt) from stockpile materials available to the Secretary to a contractor for the production of conventional ammunition for the Army.

(b) **CERTIFICATION BY THE SECRETARY.**—The Secretary may not provide uranium tetrafluoride to a contractor under this section until the Secretary certifies to Congress that—

(1) such action is necessary to meet the fiscal year 1986 ammunition production requirement because neither uranium tetrafluoride nor depleted uranium metal of the appropriate quality is available to the contractor from commercial sources—

(A) in the quantity needed by the contractor;

(B) during the period in which the material is needed by the contractor; and

(C) at a reasonable price (to be determined by the Comptroller General of the United States after taking into account an appropriate profit and the investment made in facilities as a consequence of the decision of the Secretary to discontinue providing uranium tetrafluoride to contractors beginning in fiscal year 1986);

(2) the contractor has agreed to repay to the United States a quantity of uranium tetrafluoride equivalent to the quantity provided to the contractor by the Secretary and has presented

the Secretary with a credible plan for the repayment of the material; and

(3) the contractor has agreed to pay interest (at a rate determined by the Secretary) for the period beginning on the date on which the uranium tetrafluoride is made available to the contractor and ending on the date on which the material is repaid to the United States.

10 USC 133 note. **SEC. 1212. PROHIBITION OF CERTAIN RESTRICTIONS ON INSTITUTIONS ELIGIBLE TO PROVIDE EDUCATIONAL SERVICES**

(a) No solicitation, contract, or agreement for the provision of off-duty postsecondary education services for members of the Armed Forces of the United States, civilian employees of the Department of Defense, or the dependents of such members or employees may discriminate against or preclude any accredited academic institution authorized to award one or more associate degrees from offering courses within its lawful scope of authority solely on the basis of such institution's lack of authority to award a baccalaureate degree.

(b) No solicitation, contract, or agreement for the provision of off-duty postsecondary education services for members of the Armed Forces of the United States, civilian employees of the Department of Defense, or the dependents of such members or employees, other than those for services at the graduate or postgraduate level, may limit the offering of such services or any group, category, or level of courses to a single academic institution. However, nothing in this section shall prohibit such actions taken in accordance with regulations of the Secretary of Defense which are uniform for all armed services as may be necessary to avoid unnecessary duplication of offerings, consistent with the purpose of this provision of ensuring the availability of alternative offerors of such services to the maximum extent feasible.

(c) This section shall apply to contracts entered into after April 1, 1985.

Vessels. (d) Nothing in this section shall be construed to require more than one academic institution to be authorized to offer courses aboard a particular naval vessel.

Study. (e)(1) The Comptroller General of the United States shall carry out a study to determine (A) the educational needs of members of the Armed Forces of the United States and civilian employees of the Department of Defense stationed outside the United States and the educational needs of the dependents of such members and employees, (B) the most effective and feasible means of meeting such needs, and (C) the cost of providing such means.

Report. (2) Not later than September 1, 1986, the Comptroller General shall transmit to the Congress a report on the study required by subsection (1). The report shall include the Comptroller General's findings and such recommendations for legislation as the Comptroller General considers appropriate.

PART B—PERSONNEL MANAGEMENT

SEC. 1221. COUNTERINTELLIGENCE POLYGRAPH PROGRAM

(a) **IMPLEMENTATION OF PROGRAM.**—During fiscal years 1986 and 1987, the Secretary of Defense shall implement a program of counterintelligence polygraph examinations based upon Department of Defense Directive 5210.48, dated December 24, 1984, for military and civilian personnel of the Department of Defense and

personnel of defense contractors whose duties involve access to classified information at the level of top secret or classified information within special access programs established under section 4.2(a) of Executive Order 12356.

(b) **LIMITATION DURING FISCAL YEARS 1986 AND 1987.**—The total number of persons required to take a counterintelligence polygraph examination under this section—

- (1) may not exceed 3,500 during fiscal year 1986; and
- (2) may not exceed 7,000 during fiscal year 1987.

(c) **REPORTS.**—(1) Not later than December 31, 1985, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on his plans to expand the use of polygraph examinations in the Department of Defense. Such report shall include a discussion of the Secretary's plans for recruiting and training additional polygraph operators.

(2) Not later than December 31, 1986, the Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the use of polygraph examinations administered by or for the Department of Defense during fiscal year 1986. The report shall include—

- (A) the number of polygraph examinations conducted during such fiscal year;
- (B) a description of the purposes and results of such examinations;
- (C) a description of the criteria used for selecting programs and individuals for examinations;
- (D) the number of persons who refused to submit to an examination;
- (E) a description of the actions taken, including denial of clearance or any adverse action, when an individual either failed or refused to take the examination;
- (F) an explanation of the uses made of the results of the examinations; and
- (G) a detailed accounting of those cases in which more than two examinations were needed to attempt to resolve discrepancies.

(d) **POLYGRAPH RESEARCH PROGRAM.**—(1) The Secretary of Defense shall carry out a continuing research program to support the polygraph activities of the Department of Defense. The program shall include—

- (A) an on-going evaluation of the validity of polygraph techniques used by the Department;
- (B) research on polygraph countermeasures and anti-countermeasures; and
- (C) developmental research on polygraph techniques, instrumentation, and analytic methods.

(2) Not later than December 31 of each year, the Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives, the Select Committee on Intelligence of the Senate, and the Permanent Select Committee on Intelligence of the House of Representatives a report on the results during the preceding fiscal year of the research program referred to in paragraph (1).

(3) There is authorized to be appropriated to the Department of Defense for fiscal year 1986 the sum of \$590,000 to carry out the research program referred to in paragraph (1).

(e) **NON-APPLICATION OF SECTION.**—This section does not apply—

3 CFR, 1982
Comp., p. 166.

Report.

(1) to an individual assigned or detailed to the Central Intelligence Agency or to any expert or consultant under a contract with the Central Intelligence Agency;

(2) to (A) an individual employed by or assigned or detailed to the National Security Agency, (B) an expert or consultant under contract to the National Security Agency, (C) an employee of a contractor of the National Security Agency, or (D) an individual applying for a position in the National Security Agency; or

(3) to an individual assigned to a space where sensitive cryptologic information is produced, processed, or stored.

SEC. 1222. REDUCTION IN SECURITY CLEARANCE BACKLOG

(a) **FINDING.**—The Congress finds that there are many persons with a security clearance at a level of top secret or above who have not been investigated for more than five years as a result of delays in the program of the Department of Defense for periodic reinvestigations of persons with clearance at such a level.

(b) **REDUCTION IN CLEARANCE BACKLOG.**—The Secretary of Defense shall take such action as may be necessary to achieve a substantial reduction in the backlog under such periodic-reinvestigation program by the end of fiscal year 1986. The Secretary should seek to obtain a 25-percent reduction in that backlog in fiscal year 1986.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated for fiscal year 1986 for operation and maintenance of defense agencies \$25,000,000 which may be used only for the purpose of carrying out actions required by subsection (b).

(d) **REPORT.**—Not later than April 1, 1986, the Secretary shall submit to Congress a report on the level and manner of obligating the funds appropriated pursuant to the authorization in subsection (c) and on the level of reductions of the backlog achieved at the time of the report. Such report also shall include a description of resources and the funding level which would be needed in order to reduce by the end of fiscal year 1987 such backlog by 50 percent below the level of such backlog on the date of the enactment of this Act.

SEC. 1223. AUTHORITY FOR INDEPENDENT CRIMINAL INVESTIGATIONS BY NAVY AND AIR FORCE INVESTIGATIVE UNITS

The Secretary of the Navy shall prescribe regulations providing to the Naval Investigative Service authority to initiate and conduct criminal investigations on the authority of the Director of the Naval Investigative Service. The Secretary of the Air Force shall prescribe regulations providing to the Air Force Office of Special Investigations authority to initiate and conduct criminal investigations on the authority of the Commander of the Air Force Office of Special Investigations.

SEC. 1224. ESTABLISHMENT OF MINIMUM DRINKING AGE ON MILITARY INSTALLATIONS

(a) **MINIMUM DRINKING AGE BASED ON STATE LAW.**—Section 2683 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

“(c)(1) Except as provided in paragraphs (2) and (3), the Secretary concerned shall establish and enforce as the minimum drinking age on a military installation located in a State the age established by the law of that State as the State minimum drinking age.

“(2)(A) In the case of a military installation located—

Alcohol and
alcoholic
beverages.

“(i) in more than one State; or

“(ii) in one State but within 50 miles of another State or Mexico or Canada,

the Secretary concerned may establish and enforce as the minimum drinking age on that military installation the lowest applicable age.

“(B) In subparagraph (A), ‘lowest applicable age’ means the lowest minimum drinking age established by the law—

“(i) of a State in which a military installation is located; or

“(ii) of a State or jurisdiction of Mexico or Canada that is within 50 miles of such military installation.

“(3)(A) The commanding officer of a military installation may waive the requirement of paragraph (1) if such commanding officer determines that the exemption is justified by special circumstances.

“(B) The Secretary of Defense shall define by regulations what constitute special circumstances for the purposes of this paragraph.

“(4) In this subsection:

“(A) ‘State’ includes the District of Columbia.

“(B) ‘Minimum drinking age’ means the minimum age or ages established for persons who may purchase, possess, or consume alcoholic beverages.”

(b) CONFORMING AMENDMENTS.—(1) Subsection (b) of such section is amended by striking out “section” and inserting in lieu thereof “subsection (a)”.

(2) Section 6 of the 1951 Amendments to the Universal Military Training and Service Act (50 U.S.C. App. 473) is amended by striking out “The” in the first sentence and inserting in lieu thereof “Subject to section 2683(c) of title 10, United States Code, the”.

Ante, p. 728.

(c) CLERICAL AMENDMENTS.—(1) The heading of section 2683 of title 10, United States Code, is amended to read as follows:

“§ 2683. Relinquishment of legislative jurisdiction; minimum drinking age on military installations”.

Alcohol and alcoholic beverages.

(2) The item relating to that section in the table of sections at the beginning of chapter 159 of such title is amended to read as follows:

“2683. Relinquishment of legislative jurisdiction; minimum drinking age on military installations.”

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect 90 days after the date of the enactment of this Act.

10 USC 2683 note.

(e) REPORT.—(1) Not later than February 1, 1986, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on—

(A) the effects of the provisions of section 2683(c) of title 10, United States Code, as added by subsection (a); and

Ante, p. 728.

(B) the feasibility and desirability of permitting the sale to members of the Armed Forces who have not attained the minimum drinking age established on a military installation under such section, in establishments located on the military installation, of—

(i) low alcohol malt beverages (2.0 percent or less alcohol by weight); and

(ii) low alcohol wine beverages (6.0 percent or less alcohol by volume).

(2) The report required by paragraph (1) shall include—

(A) comments and recommendations by the Secretary concerning the feasibility and desirability of permitting the sale of the low alcohol beverages described in paragraph (1)(B);

Motor vehicles.

(B) an analysis of any effects of such sale on—
 (i) the incidence of members of the Armed Forces or their dependents operating motor vehicles while under the influence of alcohol or drugs; and

(ii) the incidence of persons operating motor vehicles on a military installation while under the influence of alcohol or drugs;

Motor vehicles.
Ante, p. 728.

(C) an analysis of any effects of the provisions of section 2683(c) of title 10, United States Code, as added by subsection (a), on—

(i) the incidence of members of the Armed Forces or their dependents operating motor vehicles while under the influence of alcohol or drugs; and

(ii) the incidence of persons operating motor vehicles on a military installation while under the influence of alcohol or drugs; and

(D) any comments or recommendations the Secretary may consider appropriate, including any proposal for legislative action.

SEC. 1225. CASH AWARDS FOR DISCLOSURES LEADING TO COST SAVINGS

(a) **MEMBERS OF THE ARMED FORCES.**—(1) Section 1124 of title 10, United States Code, is amended by inserting “disclosure,” in subsections (a), (b), (c), and (f) before “suggestion”.

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

“§ 1124. Cash awards for disclosures, suggestions, inventions, and scientific achievements”.

(B) The item relating to such section in the table of sections at the beginning of chapter 57 of such title is amended to read as follows: “1124. Cash awards for disclosures, suggestions, inventions, and scientific achievements.”.

10 USC 1124
 note.

(3) The amendments made by this subsection shall take effect on October 1, 1985.

(b) **CIVILIAN EMPLOYEES.**—(1)(A) Section 4514 of title 5, United States Code, is amended to read as follows:

“§ 4514. Expiration of authority; reporting requirement

Awards.

“(a) No award may be made under this subchapter after September 30, 1988.

Report.

“(b)(1) Not later than March 15, 1988, the Comptroller General shall submit to Congress a report on the effectiveness of the awards program under this subchapter.

“(2) The report shall include the views of the Comptroller General as to whether the authority to make awards under this subchapter should be continued after September 30, 1988, and, if so, whether any modification in such authority would be appropriate.”.

(B) The item relating to such section in the table of sections for chapter 45 of such title is amended to read as follows:

“4514. Expiration of authority; reporting requirement.”.

5 USC 4512.

(2) Section 4512 of such title is amended by striking out subsection (c).

**PART C—CONTRACTING OUT FOR PERFORMANCE OF CERTAIN
FUNCTIONS**

**SEC. 1231. SPECIFICATION OF CORE-LOGISTICS FUNCTIONS SUBJECT TO
CONTRACTING-OUT LIMITATION**

10 USC 2304
note.

(a) **IN GENERAL.**—A function of the Department of Defense described in subsection (b) shall be deemed for the purposes of section 307(b) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2514), to be a logistics activity identified by the Secretary of Defense under section 307(a)(2) of such Act as necessary to maintain the logistics capability of the Department of Defense described in section 307(a)(1) of such Act.

(b) **DESCRIPTION OF FUNCTIONS.**—The functions to which subsection (a) applies are the following:

(1) Depot-level maintenance of mission-essential materiel at the following activities of the Army:

Anniston Army Depot, Anniston, Alabama.
Corpus Christi Army Depot, Corpus Christi, Texas.
Crane Army Ammunition Plant, Crane, Indiana.
Fort Wingate Army Depot, Gallup, New Mexico.
Letterkenny Army Depot, Letterkenny, Pennsylvania.
Lexington-Blue Grass Army Depot, Lexington, Kentucky.
McAlester Army Ammunition Plant, McAlester, Oklahoma.
New Cumberland Army Depot, Harrisburg, Pennsylvania.
Pueblo Army Depot, Pueblo, Colorado.
Red River Army Depot, Texarkana, Texas.
Rock Island Arsenal, Rock Island, Illinois.
Sacramento Army Depot, Sacramento, California.
Savanna Army Depot, Savanna, Illinois.
Seneca Army Depot, Romulus, New York.
Sharpe Army Depot, Stockton, California.
Sierra Army Depot, Herlong, California.
Tobyhanna Army Depot, Tobyhanna, Pennsylvania.
Tooele Army Depot, Tooele, Utah.
Umatilla Army Depot, Umatilla, Oregon.
Watervliet Arsenal, Watervliet, New York.

(2) Depot-level maintenance of mission-essential materiel at the following activities of the Navy:

Naval Air Rework Facility, Alameda, California.
Naval Air Rework Facility, Cherry Point, North Carolina.
Naval Air Rework Facility, Jacksonville, Florida.
Naval Air Rework Facility, Norfolk, Virginia.
Naval Air Rework Facility, Pensacola, Florida.
Naval Air Rework Facility, North Island, San Diego, California.
Naval Aviation Supply Office, Philadelphia, Pennsylvania.
Naval Construction Battalion Center, Davisville, Rhode Island.
Naval Construction Battalion Center, Gulfport, Mississippi.
Naval Construction Battalion Center, Port Hueneme, California.

Naval Electronics Systems Engineering Center, San Diego, California.

Naval Ordnance Station, Indian Head, Maryland.

Naval Ordnance Station, Louisville, Kentucky.

Naval Shipyard, Charleston, South Carolina.

Naval Shipyard, Norfolk, Virginia.

Naval Shipyard, Long Beach, California.

Naval Shipyard, Mare Island, California.

Naval Shipyard, Philadelphia, Pennsylvania.

Naval Shipyard, Portsmouth, Kittery, Maine.

Naval Shipyard, Pearl Harbor, Hawaii.

Naval Shipyard, Puget Sound, Bremerton, Washington.

Naval Ship Repair Facility, Guam.

Naval Supply Center, Charleston, South Carolina.

Naval Supply Center, Jacksonville, Florida.

Naval Supply Center, Norfolk, Virginia.

Naval Supply Center, Oakland, California.

Naval Supply Center, Pearl Harbor, Hawaii.

Naval Supply Center, Puget Sound, Bremerton, Washington.

Naval Supply Center, San Diego, California.

Naval Undersea Warfare Engineering Station, Keyport, Washington.

Naval Weapons Station, Charleston, South Carolina.

Naval Weapons Station, Colts Neck, Earle, New Jersey.

Naval Weapons Station, Concord, California.

Naval Weapons Station, Seal Beach, California.

Naval Weapons Station, Yorktown, Virginia.

Naval Weapons Station, Crane, Indiana.

Navy Ships Parts Control Center, Mechanicsburg, Pennsylvania.

TRIDENT Refit Facility, Bangor, Bremerton, Washington.

(3) Depot-level maintenance of mission-essential materiel at the following activities of the Marine Corps:

Marine Corps Logistics Base, Albany, Georgia.

Marine Corps Logistics Base, Barstow, California.

(4) Depot-level maintenance of mission-essential materiel at the following activities of the Air Force:

Aerospace Guidance and Metrology Center, Newark Air Force Station, Ohio.

Ogden Air Logistics Center, Hill Air Force Base, Utah.

Oklahoma City Air Logistics Center, Tinker Air Force Base, Oklahoma.

Sacramento Air Logistics Center, McClellan Air Force Base, California.

San Antonio Air Logistics Center, Kelly Air Force Base, Texas.

Warner Robins Air Logistics Center, Robins Air Force Base, Georgia.

(5) Depot-level maintenance of mission-essential equipment at the following activities of the Defense Logistics Agency:

Defense Construction Supply Center, Columbus, Ohio.

Defense Depot Mechanicsburg, Mechanicsburg, Pennsylvania.

Defense Depot Memphis, Memphis, Tennessee.

Defense Depot Ogden, Ogden, Utah.

Defense Depot Tracy, Tracy, California.
 Defense Electronics Supply Center, Dayton, Ohio.
 Defense General Supply Center, Richmond, Virginia.
 Defense Industrial Plant Equipment Center, Memphis,
 Tennessee.

Defense Industrial Supply Center, Philadelphia, Penn-
 sylvania.

Defense Logistics Service Center, Battle Creek, Michigan.

Defense Subsistence Office, Bayonne, New Jersey.

(6) Depot-level maintenance of mission-essential materiel at
 the following activities of the Defense Mapping Agency:

Aerospace Center, Kansas City Field Office, Kansas City,
 Missouri.

Aerospace Center, St. Louis AFS, Missouri.

Office of Distribution Services, Brookmont, Maryland.

Office of Distribution Services, Clearfield, Utah.

Office of Distribution Services, Philadelphia, Pennsyl-
 vania.

(c) **MATTERS INCLUDED WITHIN SPECIFIED FUNCTIONS.**—The func-
 tions described in subsection (b) include—

(1) the facilities and equipment at the activities listed in that
 subsection; and

(2) the Government personnel who manage and perform the
 work at those activities.

(d) **EXCLUSION OF CERTAIN FUNCTIONS.**—Subsection (b) does not
 include any function that on the date of the enactment of this Act—

(1) is being performed under contract by non-Government
 personnel; or

(2) has been announced to Congress for review for conversion
 to performance by non-Government personnel under Office of
 Management and Budget Circular A-76.

(e) **DEFINITION.**—For the purposes of this section, the term “mis-
 sion-essential materiel” means all materiel which is authorized and
 available to combat, combat support, combat service support, and
 combat readiness training forces to accomplish their assigned
 mission.

(f) **TECHNICAL AMENDMENT.**—Section 307(b)(4) of the Department
 of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat.
 2515), is amended by striking out “30-day period” and inserting in
 lieu thereof “20-day period”.

10 USC 2304
 note.

**SEC. 1232. ONE-YEAR EXTENSION OF PROHIBITION ON CONTRACTING FOR
 THE PERFORMANCE OF FIREFIGHTING AND SECURITY
 FUNCTIONS**

(a) **EXTENSION OF PROHIBITION.**—Section 1221(a) of the Department
 of Defense Authorization Act, 1984 (Public Law 98-94; 97 Stat. 691),
 is amended by striking out “October 1, 1985” and inserting in lieu
 thereof “October 1, 1986”.

(b) **REPORT.**—(1) The Secretary of Defense shall submit to Congress
 a written report containing—

(A) an assessment of the special needs of the Department of
 Defense with respect to firefighting and base security; and

(B) an assessment of how those needs are met by both Federal
 employees and contract personnel.

(2) The report shall be prepared in consultation with the Adminis-
 trator of the United States Fire Administration of the Federal

Emergency Management Agency and shall include the comments of the Administrator on the report.

(3) The report shall be submitted not later than March 1, 1986.

SEC. 1233. SERVICES AND ACTIVITIES TO BE PERFORMED BY NON-GOVERNMENT PERSONNEL

10 USC 2304
note.

The Secretary of Defense shall take such action as may be necessary to ensure that, in each case in which it has been determined in accordance with law that performance of a service or activity by non-Government personnel would be cost effective and in the best interests of national security, such service or activity is performed by non-Government personnel.

SEC. 1234. INCREASE IN THRESHOLDS APPLICABLE TO STATUTORY CONTRACTING-OUT PROCEDURES

(a) **INCREASE IN NUMBERS.**—Section 502 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2304 note), is amended—

(1) in subsection (a)(2)(D)(i), by striking out “50 employees” and inserting in lieu thereof “75 employees”; and

(2) in subsection (d), by striking out “10 or fewer” and inserting in lieu thereof “40 or fewer”.

10 USC 2304
note.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on January 1, 1986.

PART D—ECONOMY AND EFFICIENCY

SEC. 1241. FLEXTIME FOR FEDERAL CONTRACTOR EMPLOYEES

(a) **AMENDMENTS TO CONTRACT WORK HOURS AND SAFETY STANDARDS ACT.**—(1) Subsection (a) of section 102 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 328(a)) is amended to read as follows:

“(a) Notwithstanding any other provision of law, the wages of every laborer and mechanic employed by any contractor or subcontractor in his performance of work on any contract of the character specified in section 103 shall be computed on the basis of a standard workweek of forty hours, and work in excess of such standard workweek shall be permitted subject to provisions of this section. For each workweek in which any such laborer or mechanic is so employed such wages shall include compensation, at a rate not less than one and one-half times the basic rate of pay, for all hours worked in excess of forty hours in the workweek.”

(2) Section 102(b) of such Act is amended—

(A) by striking out “eight hours in any calendar day or in excess of” in paragraph (1); and

(B) by striking out “eight hours or in excess of” in paragraph (2).

(b) **AMENDMENT TO WALSH-HEALEY ACT.**—Subsection (c) of the first section of the Act entitled “An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes” (41 U.S.C. 35(c)), commonly known as the Walsh-Healey Act, is amended by striking out “eight hours in any one day or in excess of”.

41 USC 35 note.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on January 1, 1986.

SEC. 1242. PROHIBITION ON ESTABLISHMENT OF PAY RATES FOR PREVAILING RATE EMPLOYEES OF THE DEPARTMENT OF DEFENSE USING SURVEYS OF WAGES PAID OUTSIDE THE LOCAL WAGE AREA

(a) AMENDMENT TO SECTION 5343 OF TITLE 5, U.S.C.—Paragraph (2) of section 5343(d) of title 5, United States Code, is amended to read as follows:

“(2) When the lead agency determines that there is a number of comparable positions in private industry insufficient to establish the wage schedules and rates, such agency shall—

“(A) establish the wage schedules and rates to be applicable to prevailing rate employees other than prevailing rate employees of the Department of Defense on the basis of—

“(i) local private industry rates; and

“(ii) rates paid for comparable positions in private industry in the nearest wage area that such agency determines is most similar in the nature of its population, employment, manpower, and industry to the local wage area for which the wage survey is being made; and

“(B) establish the wage schedules and rates to be applicable to prevailing rate employees of the Department of Defense only on the basis of local private industry rates.”.

(b) PROHIBITION ON REDUCTION OF PAY.—The rate of pay payable to a prevailing rate employee employed by the Department of Defense on the day before the date of enactment of this Act may not be reduced by reason of the amendment made by subsection (a).

5 USC 5343 note.

TITLE XIII—TECHNICAL AND CLERICAL AMENDMENTS

SEC. 1301. ELIMINATION OF CERTAIN STATUTORY GENDER-BASED DISTINCTIONS

(a) GENERAL MILITARY LAW.—(1) Section 772(c) of title 10, United States Code, is amended by striking out the second sentence.

(2) Section 1431(b)(3) of such title is amended by striking out “widow” and inserting in lieu thereof “surviving spouse”.

10 USC 1431.

(b) ARMY.—(1)(A) Section 3683 of title 10, United States Code, is repealed.

Repeal.

(B) The table of sections at the beginning of chapter 353 of such title is amended by striking out the item relating to section 3683.

(C) The repeal made by subparagraph (A) shall not apply in the case of a person who performed active service described in section 3683 of title 10, United States Code, as such section was in effect on the day before the date of the enactment of this Act.

10 USC 3683 note.

(2)(A) Section 3963 of such title is repealed.

Repeal.

(B) The table of sections at the beginning of chapter 369 of such title is amended by striking out the item relating to section 3963.

10 USC 3963.

(C) The repeal made by subparagraph (C) shall not apply in the case of a member of the Regular Army described in section 3963 of title 10, United States Code, as such section was in effect on the day before the date of the enactment of this Act.

10 USC 3963 note.

(3)(A) Section 4309(b) of such title is amended by striking out “males” and inserting in lieu thereof “persons”.

10 USC 4309.

(B) Section 4313(a) of such title is amended by striking out “man” and inserting in lieu thereof “competitor”.

10 USC 4313.

- 10 USC 4651. (C) Section 4651 of such title is amended by striking out “male”.
 10 USC 4712. (4)(A) Section 4712(d) of such title is amended by striking out clauses (1) through (9) and inserting in lieu thereof the following:
 “(1) The surviving spouse or legal representative.
 “(2) A child of the deceased.
 “(3) A parent of the deceased.
 “(4) A brother or sister of the deceased.
 “(5) The next-of-kin of the deceased.
 “(6) A beneficiary named in the will of the deceased.”
- 10 USC 4713. (B) Section 4713(a)(2) of such title is amended by striking out clauses (A) through (I) and inserting in lieu thereof the following:
 “(A) The surviving spouse or legal representative.
 “(B) A child of the deceased.
 “(C) A parent of the deceased.
 “(D) A brother or sister of the deceased.
 “(E) The next-of-kin of the deceased.
 “(F) A beneficiary named in the will of the deceased.”
- (c) NAVY.—(1) Section 6160(a) of title 10, United States Code, is amended by striking out “enlisted man” and inserting in lieu thereof “enlisted member”.
- 10 USC 6964. (2) Section 6964(e) of such title is amended by striking out “men” and inserting in lieu thereof “persons”.
- 10 USC 7601. (3)(A) Section 7601(a) of such title is amended by striking out “widows” and inserting in lieu thereof “widows and widowers”.
 (B) The heading of such section is amended to read as follows:
 “§ 7601. Sales: members of the naval service and Coast Guard; widows and widowers; civilian employees and other persons”.
- (C) The item relating to section 7601 in the table of sections at the beginning of chapter 651 of such title is amended to read as follows:
 “7601. Sales: members of the naval service and Coast Guard; widows and widowers; civilian employees and other persons.”
- Repeal. (d) AIR FORCE.—(1)(A) Section 8683 of title 10, United States Code, is repealed.
 (B) The table of sections at the beginning of chapter 853 of such title is amended by striking out the item relating to section 8683.
 (C) The repeal made by subparagraph (A) shall not apply in the case of a person who performed active service described in section 8683 of title 10, United States Code, as such section was in effect on the day before the date of the enactment of this Act.
- 10 USC 8683 note. (2)(A) Section 8963 of such title is repealed.
 (B) The table of sections at the beginning of chapter 869 of such title is amended by striking out the item relating to section 8963.
 (C) The repeal made by subparagraph (A) shall not apply in the case of an Air Force nurse or medical specialist described in section 8963 of title 10, United States Code, as such section was in effect on the day before the date of the enactment of this Act.
- Repeal. 10 USC 8963 note. (3) Section 9651 of such title is amended by striking out “male”.
 10 USC 9651. (4)(A) Section 9712(d) of such title is amended by striking out clauses (1) through (9) and inserting in lieu thereof the following:
 “(1) The surviving spouse or legal representative.
 “(2) A child of the deceased.
 “(3) A parent of the deceased.
 “(4) A brother or sister of the deceased.
 “(5) The next-of-kin of the deceased.”

“(6) A beneficiary named in the will of the deceased.”.

(B) Section 9713(a)(2) of such title is amended by striking out clauses (A) through (I) and inserting in lieu thereof the following: 10 USC 9713.

“(A) The surviving spouse or legal representative.

“(B) A child of the deceased.

“(C) A parent of the deceased.

“(D) A brother or sister of the deceased.

“(E) The next-of-kin of the deceased.

“(F) A beneficiary named in the will of the deceased.”.

(e) **WORLD WAR II ERA ARMY NURSES.**—(1) The Act entitled “An Act to authorize temporary appointment as officers in the Army of the United States of members of the Army Nurse Corps, female persons having the necessary qualifications for appointment in such corps, female dietetic and physical-therapy personnel of the Medical Department of the Army (exclusive of students and apprentices), and female persons having the necessary qualifications for appointment in such department as female dietetic or physical-therapy personnel, and for other purposes”, approved June 22, 1944 (58 Stat. 324; 50 U.S.C. App. 1591 et seq.), is repealed. Repeal.

(2) The repeal made by paragraph (1) shall not apply in the case of any person appointed and assigned under the first section of the Act repealed by such paragraph, as such Act was in effect on the day before the date of the enactment of this Act. 50 USC app. 1591 note.

(f) **SOLDIERS’ AND AIRMEN’S HOME.**—The first sentence of section 4 of the Act entitled “An Act prescribing regulations for the Soldiers’ Home located at Washington, in the District of Columbia, and for other purposes”, approved March 3, 1883 (24 U.S.C. 52), is amended—

(1) by striking out “wife” both places it appears and inserting in lieu thereof “spouse”; and

(2) by striking out “his” and inserting in lieu thereof “such”.

(g) **DEPENDENTS OF PERSONS MISSING IN ACTION.**—Section 551(1)(A) of title 37, United States Code, is amended by striking out “wife” and inserting in lieu thereof “spouse”.

SEC. 1302. TECHNICAL AMENDMENTS RELATING TO BENEFITS FOR CERTAIN DIA PERSONNEL

(a) **CIVILIAN EMPLOYEES.**—(1) Section 192 of title 10, United States Code, is transferred to the end of chapter 83 of such title, redesignated as section 1605, and amended— 10 USC 1601 et seq.

(A) in subsections (a) and (b), by striking out “Director of the Defense Intelligence Agency, on behalf of the Secretary of Defense,” and inserting in lieu thereof “Secretary of Defense”;

(B) in subsection (a)—

(i) by striking out “military and”;

(ii) by striking out “under sections 903, 705, and 2308” and inserting in lieu thereof “sections 705 and 903”;

(iii) by striking out “22 U.S.C. 4025;” and

(iv) by striking out “; 22 U.S.C. 4083” and all that follows in such subsection and inserting in lieu thereof “, 4025, 4083) and under section 5924(4) of title 5.”; and

(C) by striking out subsection (c) and redesignating subsection

(d) as subsection (c).

(2) The item relating to such section in the table of sections at the beginning of chapter 8 of such title is transferred to the end of the table of sections at the beginning of chapter 83 of such title and is amended by striking out “192” and inserting in lieu thereof “1605”.

10 USC 1603. (3) Section 1603 of such title is amended by striking out “chapter” both places it appears and inserting in lieu thereof “sections 1601 and 1602 of this title”.

(b) MEMBERS OF THE ARMED FORCES.—(1) Chapter 7 of title 37, United States Code, is amended by adding at the end thereof the following new section:

37 USC 431. “§ 431. Benefits for certain members assigned to the Defense Intelligence Agency

“(a) The Secretary of Defense may provide to members of the armed forces who are assigned to Defense Attache Offices and Defense Intelligence Agency Liaison Offices outside the United States and who are designated by the Secretary of Defense for the purposes of this subsection allowances and benefits comparable to those provided by the Secretary of State to officers and employees of the Foreign Service under paragraphs (2), (3), (4), (6), (7), (8), and (13) of section 901 and sections 705 and 903 of the Foreign Service Act of 1980 (22 U.S.C. 4081 (2), (3), (4), (6), (7), (8), and (13), 4025, 4083) and under section 5924(4) of title 5.

“(b) The authority of the Secretary of Defense to make payments under subsection (a) of this section is effective for any fiscal year only to the extent that appropriated funds are available for such purpose.

Regulations. “(c) Members of the armed forces may not receive benefits under both subsection (a) of this section and any other provision of this title for the same purpose. The Secretary of Defense shall prescribe such regulations as may be necessary to carry out this subsection.

“(d) Regulations prescribed pursuant to subsection (a) of this section shall be submitted to the Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives and the Committee on Armed Services and the Select Committee on Intelligence of the Senate before such regulations take effect.”

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item: “431. Benefits for certain members assigned to the Defense Intelligence Agency.”

37 USC 431 note. *Supra.* (3) The authority of the Secretary of Defense under section 431 of title 37, United States Code, as added by paragraph (1), may be delegated in accordance with section 133(d) of title 10, United States Code.

SEC. 1303. GENERAL CLERICAL AMENDMENTS

(a) AMENDMENTS TO TITLE 10.—Title 10, United States Code, is amended as follows:

98 Stat. 2611. (1) Section 124(c)(2) is amended by inserting “of the Joint Chiefs of Staff” after “Chairman”.

(2) Section 139b(d)(3)(B)(i) is amended by inserting “percent” before the semicolon.

(3) Section 140c(b)(1) is amended by striking out “enactment of this section” and inserting in lieu thereof “September 24, 1983”.

98 Stat. 2614. (4)(A) Section 520b is amended by striking out “enlistments” and inserting in lieu thereof “enlistment”.

(B) The item relating to such section in the table of sections at the beginning of chapter 31 is amended by striking out “enlistments” and inserting in lieu thereof “enlistment”.

(5) Section 555 is amended by striking out “section 201(c)” and inserting in lieu thereof “section 201(b)”.

(6) The item relating to section 1043 in the table of sections at the beginning of chapter 53 is amended by striking out “Atomospheric” and inserting in lieu thereof “Atmospheric”.

(7) Section 1074(a) is amended by striking out “prescribed by” and all that follows through “the following persons” and inserting in lieu thereof “prescribed by the administering Secretaries, the following persons”.

98 Stat. 2869.

(8) Section 1085 is amended by indenting the first line of the text of the section.

98 Stat. 2870.

(9) Section 1437(c)(3)(A) is amended by striking out “(notwithstanding section 144 of this title)”.

(10) Section 1440 is amended by striking out “section 1437(c)(3)” and inserting in lieu thereof “section 1437(c)(3)(B)”.

(11) Section 1450 is amended—

(A) by striking out “subsection (l)” in subsection (i) and inserting in lieu thereof “subsection (l)(3)(B)”; and

(B) by striking out “(notwithstanding subsection (h))” in subsection (l)(3)(A).

(12) Section 1489(a) is amended by striking out “Armed Forces” and inserting in lieu thereof “armed forces”.

(13) Section 2304(a)(1)(B) is amended by striking out “krocedures” and inserting in lieu thereof “procedures”.

98 Stat. 1187.

(14) Paragraph (5) of section 2305(b) is reset full measure.

(15) Section 2306 is amended—

(A) by adding a period at the end of subsection (a); and

(B) by striking out “of this title” in subsection (b).

(16) Section 2310 is amended by inserting “this” after “2305 of”.

(17) The heading of section 2691 is amended to read as follows:

“§ 2691. Restoration of land used by permit or lease from other agencies”.

(18) Section 2821(b) is amended by striking out “paragraph” before the period at the end and inserting in lieu thereof “subsection”.

(19) Section 2852 is amended by striking out “section 3324(a) and (b)” and inserting in lieu thereof “subsections (a) and (b) of section 3324”.

(20)(A) Section 3843(b) is amended by striking out “after July 1, 1960,”.

(B) Sections 3848(a), 3851(a), and 3852 are amended by striking out “After July 1, 1960, each” and inserting in lieu thereof “Each”.

(21) Section 5985 is amended by striking out “the Act of March 4, 1911, ch. 265, 36 Stat. 1353, as amended,” and inserting in lieu thereof “section 1304 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295c),”.

(22) Section 6148 is amended by redesignating subsection (e) as subsection (d).

98 Stat. 2543.

(23) Section 7204(a) is amended—

98 Stat. 2620.

(A) by running “contribute, out of” in after “Secretary of the Navy may”;

(B) by aligning clauses (1) through (4) so as to be cut in two ems; and

(C) by aligning the matter after clause (4) flush with the margin.

(24)(A) The heading of section 7309 is amended by striking out the fifth word.

(B) The item relating to that section in the table of sections at the beginning of chapter 633 is amended by striking out the fifth word.

(25) Section 7431(c) is amended—

(A) by striking out “the” at the beginning of paragraphs (1), (2), and (3) and inserting in lieu thereof “The”;

(B) by striking out the semicolons at the end of paragraphs (1), (2), and (3) and inserting in lieu thereof periods;

(C) by striking out “a summary” at the beginning of paragraph (4) and inserting in lieu thereof “A summary”;

(D) by striking out “; and” at the end of paragraph (4) and inserting in lieu thereof a period; and

(E) by striking out “such” at the beginning of paragraph (5) and inserting in lieu thereof “Such”.

(26) The item relating to section 8202 in the table of sections at the beginning of chapter 831 is amended to read as follows:
“8202. Air Force: strength in grade; general officers.”.

(27)(A) Section 8848(a) is amended by striking out “After June 30, 1960, each” and inserting in lieu thereof “Each”.

(B) Sections 8851(a) and 8852(a) are amended by striking out “After June 30, 1960, except” and inserting in lieu thereof “Except”.

(28) Section 9441(b) is amended by striking out “and” at the end of clause (8).

(b) AMENDMENTS TO TITLE 37.—Title 37, United States Code, is amended as follows:

(1) Section 203(a) is amended by inserting “or as otherwise prescribed by law” before the period.

98 Stat. 2542.

(2) Section 301(c)(1) is amended by striking out the first comma after “(10)”.

(3) Sections 308g(f) and 308h(e) are amended by striking out “the date of the enactment of the Department of Defense Authorization Act, 1984” and inserting in lieu thereof “September 24, 1983”.

(4) Section 312b(c) is amended by striking out “make an annual report to the House and Senate Armed Services Committees” and inserting in lieu thereof “submit to the Committees on Armed Services of the Senate and House of Representatives an annual report”.

98 Stat. 2537.

(5) Section 402(b) is amended by inserting “or as otherwise prescribed by law” before the period at the end of the fourth sentence.

(6) Section 403(a) is amended by inserting “or as otherwise prescribed by law” after “of this title”.

(7) The table of sections at the beginning of chapter 7 is amended—

(A) by striking out the semicolon in the item relating to section 404 and inserting in lieu thereof a colon;

(B) by striking out the item relating to section 405a and inserting in lieu thereof the following:

“405a. Travel and transportation allowances: departure allowances.”;

and

(C) by striking out the item relating to section 425 and inserting in lieu thereof the following:

"425. United States Navy Band; United States Marine Band: allowances while on concert tour."

(8) The heading of section 405 is amended to read as follows:

"§ 405. Travel and transportation allowances: per diem while on duty outside the United States or in Hawaii or Alaska".

(9) Section 406(k) is amended by striking out "to carry out subsection (b)" and inserting in lieu thereof "for providing transportation of household effects of members of the armed forces under subsection (b)".

(10) Section 429 is amended by inserting "(20 U.S.C. 921 et seq.)" after "Defense Dependents' Education Act of 1978".

(11) Section 557(c) is amended by inserting "of this title" after "section 558" both places it appears.

(12) Section 1006(h) is amended by striking out "section 3324(a) and (b)" and inserting in lieu thereof "subsections (a) and (b) of section 3324".

(13)(A) Section 1012 is amended—

(i) by striking out "under sections 206 (a), (b), and (d), 301(f), 309, 402(b) (last sentence), and 1002 of this title for pay" and inserting in lieu thereof "for the pay, under subsections (a), (b), and (d) of section 206, section 301(f), the last sentence of section 402(b), and section 1002 of this title,";

(ii) by striking out "Disbursements" and inserting in lieu thereof "All such disbursements"; and

(iii) by striking out "under the" and inserting in lieu thereof "as prescribed in those".

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

"§ 1012. Disbursement and accounting: pay of enlisted members of the National Guard".

(C) The item relating to that section in the table of sections at the beginning of chapter 19 is amended to read as follows:

"1012. Disbursement and accounting: pay of enlisted members of the National Guard."

(D) The amendments made by this paragraph shall take effect as if included in the enactment of section 2(i) of Public Law 97-258.

37 USC 1012
note.

96 Stat. 1052.

SEC. 1304. CLERICAL AMENDMENTS TO FEDERAL PROCUREMENT LAW

(a) DEFENSE PROCUREMENT LAW.—Chapter 138 of title 10, United States Code, is amended as follows:

(1) Sections 2321, 2322, 2323 (as amended by section 961(b)), 2324, 2325, 2326, 2327, and 2328 are redesignated as sections 2341 through 2348, respectively.

(2) Section 2329 is repealed.

(3) Sections 2330 and 2331 are redesignated as sections 2349 and 2350, respectively.

(4) Sections 2341 and 2342 (as so redesignated) are amended by striking out "section 2323" and inserting in lieu thereof "section 2343".

(5) Section 2323 (as so redesignated) is amended—

98 Stat. 2597,
2598.

10 USC
2324-2328.

Repeal.

10 USC 2330,
2331.

(A) by striking out “section 2321” both places it appears and inserting in lieu thereof “section 2341”; and

(B) by striking out “section 2322” both places it appears and inserting in lieu thereof “section 2342”.

(6) The table of sections at the beginning of such chapter is amended—

(A) by striking out the item relating to section 2329; and

(B) by redesignating the remaining items in the table to reflect the redesignations made by paragraphs (1) and (3).

10 USC 2213.

(b) **CONFORMING AMENDMENT.**—Section 2213(e)(2) of such title is amended by striking out “section 2331” and inserting in lieu thereof “section 2350”.

(c) **CIVILIAN AGENCY PROCUREMENT.**—The Federal Property and Administrative Services Act of 1949 is amended as follows:

98 Stat. 1182.

(1) Section 111(h)(3)(A) (40 U.S.C. 759(h)(3)(A)) is amended by striking out “Board” and inserting in lieu thereof “board”.

98 Stat. 3086.

(2) Section 303(f)(1)(C) (41 U.S.C. 253(f)(1)(C)) is amended by striking out “Any” and inserting in lieu thereof “any”.

(3) Section 303(g)(1) (41 U.S.C. 253(g)(1)) is amended by inserting a comma after “1984”.

41 USC 253c-253g.

98 Stat. 3068.

(4)(A) Sections 303D, 303E, 303F, 303G, and 303H (as added by title II of the Small Business and Federal Procurement Competition Enhancement Act of 1984 (Public Law 98-577)) are redesignated as sections 303C, 303D, 303E, 303F, and 303G, respectively.

(B) The items relating to those sections in the table of contents for such Act are redesignated to reflect the redesignations by subparagraph (A).

98 Stat. 1199.

(d) **MILITARY AND CIVILIAN PROCUREMENT.**—Section 3551(1) of title 31, United States Code, is amended by striking out “executive agency” and inserting in lieu thereof “Federal agency”.

TITLE XIV—GENERAL PROVISIONS

PART A—FINANCIAL MATTERS

SEC. 1401. TRANSFER AUTHORITY

(a) **AUTHORITY TO TRANSFER AUTHORIZATIONS.**—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this Act between any such authorizations (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary of Defense may transfer under the authority of this section may not exceed \$2,000,000,000.

(b) **LIMITATIONS.**—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) NOTICE TO CONGRESS.—The Secretary of Defense shall promptly notify Congress of transfers made under the authority of this section.

SEC. 1402. AUTHORIZATION OF TRANSFERS FOR FY85 PAY SUPPLEMENTAL

There is authorized to be transferred to, and merged with, amounts appropriated to the Department of Defense for operation and maintenance and for military personnel for fiscal year 1985 such sums as may be necessary to provide for civilian and military pay raises provided by law. Such amounts shall be derived from amounts previously appropriated to the Department of Defense remaining available for obligation and no longer required for the purposes for which they were originally provided. Transfers authorized by this section may be made only to the extent provided in appropriation Acts.

SEC. 1403. SPECIAL DEFENSE ACQUISITION FUND

Section 138(g) of title 10, United States Code, is amended by striking out “\$300,000,000” and all that follows and inserting in lieu thereof “\$1,000,000,000.”

SEC. 1404. REVISIONS TO DEFENSE BUDGET PLAN

(a) REVISED PLANS.—The Secretary of Defense shall submit to Congress a report containing—

Report.

(1) a budget plan for the Department of Defense for fiscal years 1987 through fiscal year 1990 in which the total amount of new budget authority proposed for the Department for each fiscal year is not more than three percent over the amount of new budget authority proposed for that Department for the previous fiscal year, adjusted for the official inflation projection for the fiscal year concerned; and

(2) a second budget plan for the Department for the fiscal years referred to in clause (1) in which the total amount of new budget authority proposed for the Department for each fiscal year is not more than the amount of new budget authority proposed for that Department for the previous fiscal year, adjusted for the official inflation projection for the fiscal year concerned.

(b) BASELINE.—The budget plans required by subsection (a) shall be based on the levels of authorizations of appropriations for the Department of Defense for fiscal year 1986 provided by this and any other Act.

(c) MATTERS TO BE INCLUDED.—The plans included in the report under subsection (a) shall include the following:

(1) A single amount for the amount of new budget authority proposed for each appropriation account of the Department of Defense, except that the amount of such new budget authority for the procurement appropriation accounts shall be shown at the budget-activity level.

(2) The annual procurement plan for each of the fiscal years covered for each major defense acquisition program, as defined in section 139a(a) of title 10, United States Code.

(d) DEADLINE FOR SUBMISSION.—The report required by subsection (a) shall be submitted not later than 60 days after the date of the enactment of this Act.

31 USC 1105
note.

SEC. 1405. TWO-YEAR BUDGET CYCLE FOR THE DEPARTMENT OF DEFENSE

(a) **FINDINGS.**—The Congress finds that the programs and activities of the Department of Defense could be more effectively and efficiently planned and managed if funds for the Department were provided on a two-year cycle rather than annually.

98 Stat. 2324.

(b) **REQUIREMENT FOR TWO-YEAR BUDGET PROPOSAL.**—The President shall include in the budget submitted to the Congress pursuant to section 1105 of title 31, United States Code, for fiscal year 1988 a single proposed budget for the Department of Defense and related agencies for fiscal years 1988 and 1989. Thereafter, the President shall submit a proposed two-year budget for the Department of Defense and related agencies every other year.

(c) **REPORT.**—Not later than April 1, 1986, the Secretary of Defense shall submit to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a report containing the Secretary's views on the following:

(1) The advantages and disadvantages of operating the Department of Defense and related agencies on a two-year budget cycle.

(2) The Secretary's plans for converting to a two-year budget cycle.

(3) A description of any impediments (statutory or otherwise) to converting the operations of the Department of Defense and related agencies to a two-year budget cycle beginning with fiscal year 1988.

SEC. 1406. REPORT ON BUDGETING FOR INFLATION

(a) **REPORT ON SAVINGS FROM LOWER INFLATION.**—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report containing an explanation of what the Department of Defense does in any fiscal year with funds that are not expended as a result of a decrease in the anticipated rate of inflation during that year.

(b) **PROPOSALS FOR NEW BUDGET SYSTEM FOR INFLATION ALLOWANCE.**—The Secretary shall include in the report under subsection (a) a proposal, or alternative proposals, for a budget system under which—

(1) funds that are appropriated to the Department of Defense for any fiscal year for procurement or for research, development, test, and evaluation would be appropriated to the Department without the addition of an amount for anticipated inflation during such fiscal year; and

(2) requests would be made to Congress at the end of the fiscal year for any additional funds made necessary by reason of inflation during the fiscal year.

(c) **RECOMMENDATIONS.**—The Secretary shall include in such report—

(1) the Secretary's recommendations for procedures that would effectively implement a proposal submitted under subsection (b); and

(2) a discussion of the advantages and disadvantages of instituting such a proposal, together with any other comments and recommendations that the Secretary considers appropriate.

SEC. 1407. REPORT OF UNOBLIGATED BALANCES

10 USC 133 note.

(a) **REQUIRED REPORTS.**—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives reports containing an estimate of the amount of funds in each appropriation account of the Department of Defense that at the time of the report—

- (1) is available for obligation; and
- (2) is in excess of the amount needed to carry out the programs for which the funds were appropriated.

(b) **MATTERS TO BE INCLUDED.**—Each estimate under subsection (a) shall include amounts attributable to—

- (1) inflation savings;
- (2) foreign currency savings;
- (3) excess working capital fund cash; and
- (4) all other savings.

(c) **UNANTICIPATED INCREASES.**—The report shall also identify unanticipated cost increases resulting from adverse economic trends.

(d) **SUBMISSION OF REPORT.**—The reports shall be submitted to Congress each year with the President's budget for the next fiscal year, with the April Budget Update, and with the Mid-Session Budget Review. However, the first such report shall be submitted not later than 30 days after the date of the enactment of this Act.

SEC. 1408. AUTHORIZATION OF APPROPRIATIONS FOR PURCHASE OF FOREIGN CURRENCIES

There is hereby authorized to be appropriated for fiscal year 1986 the amount of \$2,100,000 for the purchase of foreign currencies from the Treasury Department to pay expenses incurred in carrying out programs of the Department of Defense.

PART B—CHEMICAL WEAPONS

SEC. 1411. CONDITIONS ON SPENDING FUNDS FOR BINARY CHEMICAL MUNITIONS

(a) **LIMITATION ON FY86 FUNDS.**—Funds appropriated pursuant to authorizations of appropriations in title I may not be used—

- (1) for procurement or assembly of binary chemical munitions (or components of such munitions); or
- (2) for establishment of production facilities necessary for procurement or assembly of binary chemical munitions (or components of such munitions),

except in accordance with subsections (b) and (c).

(b) **NATO CONSULTATION.**—Subject to subsection (c), funds referred to in subsection (a) may be used for procurement or assembly of binary chemical munitions or for the establishment of production facilities necessary for the procurement or assembly of binary chemical munitions (or components of such munitions) if the President certifies to Congress that the United States—

- (1) has developed a plan under which United States binary chemical munitions can be deployed under appropriate contingency plans to deter chemical weapons attacks against the United States and its allies; and
- (2) has consulted with other member nations of the North

Atlantic Treaty Organization (NATO) on that plan.

A plan under clause (1) shall be developed in cooperation with the Supreme Allied Commander, Europe.

(c) **CONDITIONS FOR FINAL ASSEMBLY.**—Funds referred to in subsection (a) may not be used for the final assembly of complete binary chemical munitions before October 1, 1987, and may only be used for such purpose on or after that date if—

(1) a mutually verifiable international agreement concerning binary and other similar chemical munitions has not been entered into by the United States by that date;

(2) the President, after that date, transmits to Congress a certification that—

(A) final assembly of such complete munitions is necessitated by national security interests of the United States and the interests of other NATO member nations;

(B) performance specifications and handling and storage safety specifications established by the Department of Defense with respect to such munitions will be met or exceeded;

(C) applicable Federal safety requirements will be met or exceeded in the handling, storage, and other use of such munitions; and

(D) the plan of the Secretary of Defense for destruction of existing United States chemical warfare stocks developed pursuant to section 1412 (which shall, if not sooner transmitted to Congress, accompany such certification) is ready to be implemented;

(3) final assembly is carried out only after the end of the 60-day period beginning on the date such certification is received by the Congress;

(4) the plan of the Secretary of Defense for land-based storage of such munitions within the United States during peacetime provides that the two components that constitute a binary chemical munition are to be stored in separate States; and

(5) the plan of the Secretary of Defense for the transportation of such munitions within the United States during peacetime provides that the two components that constitute a binary munition are transported separately.

(d) **SENSE OF CONGRESS.**—It is the sense of Congress that existing unitary chemical munitions currently stored in the United States and in European member nations of NATO should be replaced by modern, safer binary chemical munitions.

(e) **REPORT.**—Not later than October 1, 1986, the President shall submit to Congress a report describing the results of consultations among NATO member nations concerning the organization's chemical deterrent posture. The report shall include descriptions of any consultations concerning—

(1) efforts to provide key civilian workers at military support facilities in Europe—

(A) with personal and collective equipment to protect against the use of chemical munitions; and

(B) with the training required for the use of such equipment;

(2) efforts to upgrade the chemical reconnaissance, decontamination, and protective capabilities of the military forces of each NATO member nation to a level adequate to meet the chemical threat identified in NATO intelligence estimates;

(3) efforts to initiate a NATO-wide study of measures required to protect ports, airfields, logistics centers, and command and

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national
security.

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control facilities in European member nations of NATO against chemical attack; and

(4) efforts to initiate a NATO-wide study of equitable and efficient sharing among NATO member nations of responsibilities with regard to deterring the use of chemical munitions in Europe.

SEC. 1412. DESTRUCTION OF EXISTING STOCKPILE OF LETHAL CHEMICAL AGENTS AND MUNITIONS 50 USC 1521.

(a) **IN GENERAL.**—(1) Notwithstanding any other provision of law, the Secretary of Defense (hereinafter in this section referred to as the “Secretary”) shall, in accordance with the provisions of this section, carry out the destruction of the United States’ stockpile of lethal chemical agents and munitions that exists on the date of the enactment of this Act.

(2) Such destruction shall be carried out in conjunction with the acquisition of binary chemical weapons for use by the Armed Forces.

(b) **DATE FOR COMPLETION.**—(1) Except as provided by paragraphs (2) and (3), the destruction of such stockpile shall be completed by September 30, 1994.

(2) If a treaty banning the possession of chemical agents and munitions is ratified by the United States, the date for completing the destruction of the United States’ stockpile of such agents and munitions shall be the date established by such treaty.

(3)(A) In the event of a declaration of war by the Congress or of a national emergency by the President or the Congress or if the Secretary of Defense determines that there has been a significant delay in the acquisition of an adequate number of binary chemical weapons to meet the requirements of the Armed Forces (as defined by the Joint Chiefs of Staff as of September 30, 1985), the Secretary may defer, beyond September 30, 1994, the destruction of not more than 10 percent of the stockpile described in subsection (a)(1).

(B) The Secretary shall transmit written notice to the Congress of any deferral made under subparagraph (A) within 30 days after the date on which the determination to defer is made or by August 31, 1994, whichever is earlier.

(c) **ENVIRONMENTAL PROTECTION AND USE OF FACILITIES.**—(1) In carrying out the requirement of subsection (a)(1), the Secretary shall provide for—

(A) maximum protection for the environment, the general public, and the personnel who are involved in the destruction of the lethal chemical agents and munitions referred to in subsection (a); and

(B) adequate and safe facilities designed solely for the destruction of lethal chemical agents and munitions.

(2) Facilities constructed to carry out this section may not be used for any purpose other than the destruction of lethal chemical weapons and munitions, and when no longer needed to carry out this section, such facilities shall be cleaned, dismantled, and disposed of in accordance with applicable laws and regulations.

(d) **PLAN.**—(1) The Secretary shall develop a comprehensive plan to carry out this section.

(2) In developing such plan, the Secretary shall consult with the Secretary of Health and Human Services and the Administrator of the Environmental Protection Agency.

(3) The Secretary shall transmit a copy of such plan to the Congress not later than March 15, 1986.

(4) Such plan shall provide—

(A) an evaluation of the comparison of onsite destruction, regional destruction centers, and a national destruction site both inside and outside of the United States;

(B) for technological advances in techniques used to destroy chemical munitions;

(C) for the maintenance of a permanent, written record of the destruction of lethal chemical agents and munitions carried out under this section; and

(D) a description of—

(i) the methods and facilities to be used in the destruction of agents and munitions under this section;

(ii) the schedule for carrying out this section; and

(iii) the management organization established under subsection (e).

(e) **MANAGEMENT ORGANIZATION.**—(1) In carrying out this section, the Secretary shall provide for the establishment, not later than May 1, 1986, of a management organization within the Department of the Army.

(2) Such organization shall be responsible for management of the destruction of agents and munitions under this section.

(3) The Secretary shall designate a general officer as the director of the management organization established under paragraph (1). Such officer shall have—

(A) experience in the acquisition, storage, and destruction of chemical agents and munitions;

(B) training in chemical warfare defense operations; and

(C) outstanding qualifications regarding safety in handling chemical agents and munitions.

(f) **IDENTIFICATION OF FUNDS.**—Funds for carrying out this section shall be set forth in the budget of the Department of Defense for any fiscal year as a separate account. Such funds shall not be included in the budget accounts for any military department. Funds for military construction projects necessary to carry out this section may be set out in the annual military construction budget separately from other funds for such project.

(g) **ANNUAL REPORT.**—(1) Except as provided by paragraph (4), the Secretary shall transmit, by December 15 of each year, a report to the Congress on the activities carried out under this section during the fiscal year ending on September 30 of the calendar year in which the report is to be made.

(2) The first such report shall be transmitted by December 15, 1985, and shall contain—

(A) an accounting of the United States' stockpile of lethal chemical agents and munitions on the date of the enactment of this Act; and

(B) a schedule of the activities planned to be carried out under this section during fiscal year 1986.

(3) Each report other than the first one shall contain—

(A) a site-by-site description of the construction, equipment, operation, and dismantling of facilities (during the fiscal year for which the report is made) used to carry out the destruction of agents and munitions under this section, including any accidents or other unplanned occurrences associated with such construction and operation; and

(B) an accounting of all funds expended (during such fiscal year) for activities carried out under this section, with a separate accounting for amounts expended for—

- (i) the construction of and equipment for facilities used for the destruction of agents and munitions;
- (ii) the operation of such facilities;
- (iii) the dismantling or other closure of such facilities;
- (iv) research and development; and
- (v) program management.

Research and
development.

(4) The Secretary shall transmit the final report under this subsection not later than 120 days following the completion of activities under this section.

(h) **PROHIBITION ON ACQUIRING CERTAIN LETHAL CHEMICAL AGENTS AND MUNITIONS.**—(1) Except as provided in paragraph (2), no agency of the Federal Government may, after the date of the enactment of this Act, develop or acquire lethal chemical agents or munitions other than binary chemical weapons.

(2)(A) The Secretary of Defense may acquire any chemical agent or munition at any time for purposes of intelligence analysis.

(B) Chemical agents and munitions may be acquired for research, development, test, and evaluation purposes at any time, but only in quantities needed for such purposes and not in production quantities.

Research and
development.

(i) **REAFFIRMATION OF UNITED STATES POSITION ON FIRST USE OF CHEMICAL AGENTS AND MUNITIONS.**—It is the sense of Congress that the President should publicly reaffirm the position of the United States as set out in the Geneva Protocol of 1925, which the United States ratified with reservations in 1975.

(j) **DEFINITIONS.**—For purposes of this section:

(1) The term “chemical agent and munition” means an agent or munition that, through its chemical properties, produces lethal or other damaging effects on human beings, except that such term does not include riot control agents, chemical herbicides, smoke and other obscuration materials.

(2) The term “lethal chemical agent and munition” means a chemical agent or munition that is designed to cause death, through its chemical properties, to human beings in field concentrations.

(3) The term “destruction” means, with respect to chemical munitions or agents—

(A) the demolition of such munitions or agents by incineration or by any other means; or

(B) the dismantling or other disposal of such munitions or agents so as to make them useless for military purposes and harmless to human beings under normal circumstances.

(k) **EFFECTIVE DATE.**—The provisions of this section shall take effect on October 1, 1985.

SEC. 1413. REPORT CONCERNING THE TESTING OF CHEMICAL WARFARE AGENTS

The Secretary of Defense shall, within 90 days after the date of enactment of this Act, transmit a report to the Committees on Armed Services of the Senate and House of Representatives describing the following matters concerning the testing of diluted or undiluted chemical warfare agents:

- (1) The criteria and process used for selecting sites for such testing.

(2) The nature and extent of any consultation carried out with State and local officials before the site for such testing is selected.

(3) The consideration that is given to the proximity of residential dwelling units, schools, child care centers, nursing homes, hospitals, or other health care facilities to the testing site.

(4) Whether an environmental impact statement should be required prior to the approval of a contract for such testing.

(5) Any costs that may have to be incurred by the Federal Government to assist companies that carry out such testing to relocate to more isolated areas.

(6) The degree to which the Secretary estimates that such testing will increase or decrease.

(7) Any recurring problems associated with such testing or the site selection process for such testing.

(8) Any changes in site selection process that are to be implemented by the Secretary or for which legislative action is necessary.

PART C—DRUG INTERDICTION, LAW ENFORCEMENT, AND OTHER SPECIFIC PROGRAMS

14 USC 89 note.

SEC. 1421. ENHANCED DRUG-INTERDICTION ASSISTANCE

(a) **MANDATORY ASSIGNMENT OF COAST GUARD PERSONNEL ON NAVAL VESSELS.**—The Secretary of Defense and the Secretary of Transportation shall provide that there be assigned on board each surface naval vessel at sea in a drug-interdiction area at least one member of the Coast Guard who is trained in law enforcement and has power to arrest, search, and seize property and persons suspected of violations of law.

(b) **LAW ENFORCEMENT FUNCTIONS.**—Members of the Coast Guard assigned to duty on board naval vessels under this section shall perform such law enforcement functions (including drug-interdiction functions)—

(1) as may be agreed upon by the Secretary of Defense and the Secretary of Transportation; and

(2) as are otherwise within the jurisdiction of the Coast Guard.

(c) **AUTHORIZATION OF NECESSARY COAST GUARD PERSONNEL; FUNDING.**—(1) The active-duty military strength level for the Coast Guard for fiscal year 1986 is increased by 500. Additional members of the Coast Guard who are on active duty by reason of this subsection shall be assigned to duty as provided in subsection (a).

(2) Of the funds appropriated for operation and maintenance for the Navy for fiscal year 1986, the sum of \$15,000,000 shall be transferred to the Secretary of Transportation and shall be available only for the additional personnel authorized by paragraph (1).

(d) **DEFINITIONS.**—For the purposes of this section:

(1) The term “drug-interdiction area” means an area outside the land area of the United States in which the Secretary of Defense (in consultation with the Attorney General) determines that activities involving smuggling of drugs into the United States are ongoing.

(2) The term “active-duty military strength level for the Coast Guard for fiscal year 1986” means the full-time equivalent strength level for active-duty military personnel of the Coast

Guard for fiscal year 1986 required to be maintained by section 3 of the Coast Guard Authorization Act of 1984 (Public Law 98-557; 98 Stat. 2860).

SEC. 1422. ESTABLISHMENT, OPERATION, AND MAINTENANCE OF DRUG LAW ENFORCEMENT ASSISTANCE ORGANIZATIONS OF THE DEPARTMENT OF DEFENSE

(a) **AUTHORIZATION OF FUNDS FOR ELEMENTS ASSISTING CIVILIAN DRUG INTERDICTION.**—(1) There are authorized to be appropriated to the Department of Defense for fiscal year 1986 such sums as may be necessary for the establishment, operation, and maintenance of airborne surveillance, detection, and interdiction units in the Department of Defense.

(2) There are authorized to be appropriated to the Department of Defense for fiscal year 1986 such sums as may be necessary for the operation and maintenance of the Directorate of the Department of Defense Task Force on Drug Law Enforcement.

(b) **COMMAND, CONTROL, AND COORDINATION.**—A special operations headquarters element shall provide necessary command, control, and coordination of appropriate active or Reserve component special operations forces, combat rescue units, and other units for participation by such forces and units in drug law-enforcement assistance missions.

(c) **REPORT ON PLANS TO ENHANCE COOPERATION WITH CIVILIAN DRUG ENFORCEMENT AGENCIES.**—Not later than December 1, 1985, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the manner in which the Department of Defense plans to obligate and expend funds appropriated or expected to be appropriated pursuant to the authorizations contained in this section. The report shall include a description of—

(1) actions or proposed actions to establish, operate, and maintain reserve component forces, airborne surveillance, detection, and interdiction units, including—

(A) actions or proposed actions to consolidate or establish, in a Special Operations Wing of the Air Force (reserve or active component), command, control, and coordination of Air Force Special Operations aircraft (including aircraft assigned to the Special Operations Wing of the Regular Air Force on or before March 1, 1985); and

(B) in the case of any such aircraft which are not to remain assigned to a Special Operation Wing of the Air Force, the disposition or planned disposition of those aircraft;

(2) actions and proposed actions to use rotary-wing and fixed-wing aircraft of the Department of Defense as well as other measures necessary to furnish (commensurate with military readiness and the provisions of chapter 18 of title 10, United States Code) optimal support to civilian law enforcement agencies; and

(3) actions and proposed actions to promote dual use between the reserve component forces and civilian law enforcement agencies of the Department of Defense aircraft and other Department of Defense resources made available to civilian law enforcement agencies for the purpose of carrying out drug interdiction missions.

Aircraft and air carriers.

10 USC 371 *et seq.*

SEC. 1423. MILITARY COOPERATION INFORMATION PROGRAMS FOR CIVILIAN LAW ENFORCEMENT OFFICIALS

(a) **PROVISION OF LAW ENFORCEMENT ASSISTANCE INFORMATION.**—Section 373 of title 10, United States Code, is amended—

(1) by inserting “(a)” before “The”; and

(2) by adding at the end thereof the following new subsections:

“(b)(1) At least once each year, the Attorney General of the United States, in consultation with the Secretary of Defense, shall conduct a briefing of law enforcement personnel of each State, including law enforcement personnel of the political subdivisions of each State, regarding information, training, technical assistance, and equipment and facilities available to civilian law enforcement personnel from the Department of Defense.

“(2) Each briefing conducted under paragraph (1) shall include—

“(A) an explanation of the procedures for civilian law enforcement officials—

“(i) to obtain information under section 371 of this title, use of equipment and facilities under section 372 of this title, and training and advice under subsection (a); and

“(ii) to obtain surplus military equipment;

“(B) the types of information, equipment and facilities, and training and advice available to civilian law enforcement officials from the Department of Defense; and

“(C) a current, comprehensive list of military equipment which is suitable for law enforcement purposes and is available to civilian law enforcement officials from the Department of Defense or is available as surplus property from the Administrator of General Services.

“(c) The Attorney General of the United States and the Administrator of General Services shall—

“(1) establish or designate an appropriate office or offices to maintain the list described in subsection (b)(2)(C) and to furnish information to civilian law enforcement officials on the availability of surplus military equipment; and

“(2) make available to civilian law enforcement personnel nationwide, tollfree telephone communication with such office or offices.”.

10 USC 373 note.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on January 1, 1986.

SEC. 1424. STUDY ON THE USE OF THE E-2 AIRCRAFT FOR DRUG INTERDICTION PURPOSES

Mexico.

(a) **STUDY BY SECRETARY OF THE NAVY.**—The Secretary of the Navy shall conduct a test of the use of E-2 aircraft of the Navy to determine the effectiveness of that aircraft in drug interdiction. The study shall be conducted along the border between the United States and Mexico and shall be carried out over a period of 6 months.

(b) **COLLECTION OF DATA.**—As part of the test, the Secretary shall collect data on the contribution on the use of the E-2 aircraft to the apprehension of drug smugglers. This data shall include the number of intercepts which resulted in apprehensions.

(c) **REPORT.**—Not later than September 30, 1986, the Secretary shall submit to Congress a report on the results of the study.

SEC. 1425. STRATEGIC BOMBER PROGRAMS

(a) **SENSE OF CONGRESS REGARDING THE ADVANCED TECHNOLOGY BOMBER AND THE ADVANCED CRUISE MISSILE.**—It is the sense of Congress that—

(1) the capabilities inherent in the technologies associated with the Advanced Technology Bomber program and the Advanced Cruise Missile program are a critical national security asset for maintaining an adequate and credible deterrent posture;

(2) such technologies and programs should be developed as rapidly as feasible in order to produce and deploy advanced systems which will complicate the military planning of the Soviet Union and as a consequence enhance the deterrent posture of the United States;

(3) such technologies and programs should be funded at the levels authorized in this Act; and

(4) all the funds appropriated for such programs should be fully used for such programs.

(b) **PROHIBITION ON USE OF FUNDS FOR ATB AND ACM FOR ANY OTHER PURPOSE.**—None of the funds appropriated pursuant to an authorization of appropriations in this Act to carry out the Advanced Technology Bomber program or the Advanced Cruise Missile program may be used for any other purpose.

(c) **SENSE OF CONGRESS ON B-1B BOMBER PROGRAM.**—It is the sense of Congress that, consistent with the stated policy of the Department of Defense, the B-1B bomber aircraft procurement program should be terminated after acquisition under such program of 100 aircraft.

(d) **LIMITATION ON NUMBER OF B-1B AIRCRAFT TO BE PROCURED.**—None of the funds appropriated pursuant to an authorization contained in this Act may be obligated or expended for the conduct of research, design, demonstration, development, or procurement of more than 100 B-1B bomber aircraft (including any derivative or modified version of such aircraft).

SEC. 1426. RESTRICTIONS ON CERTAIN NUCLEAR PROGRAMS

(a) **RESTRICTION ON FUNDING FOR MX MISSILE WARHEAD.**—None of the funds appropriated pursuant to an authorization provided in this or any other Act may be obligated or expended for the production of W-87 warheads for the MX missile program in excess of the numbers of warheads required to arm the number of such missiles authorized by the Congress to be deployed and determined by the President to be necessary for quality assurance and reliability testing.

(b) **EMPLOYMENT OF THE STANDARD MISSILE (SM-2(N)).**—Except for the studies and report required by this section, none of the funds authorized to be appropriated by this Act may be expended for research, development, test, or procurement associated with a nuclear variant of the Standard Missile (SM-2(N)) or any associated nuclear warhead until 30 calendar days after the Secretary of the Navy submits to the Committees on Armed Services of the Senate and House of Representatives a report which includes the following information:

(1) A description of the circumstances under which the SM-2(N) would be used and an assessment of likely enemy response (including countermeasures).

Union of Soviet
Socialist
Republics.

(2) A description of the release procedures and circumstances under which release would be authorized for employment of the SM-2(N).

(3) An analysis of conventional alternatives to the SM-2(N), including any necessary modification to the SM-2 or alternative to the Standard Missile or warhead, and the associated costs of those alternatives.

(4) A summary of all studies previously conducted analyzing the impact of the use of nuclear naval surface-to-air missiles on our own vessels and electronics.

(5) A list of all United States ships which may receive the SM-2(N).

(6) The number of additional conventional armed missiles which could be carried by United States ships if the SM-2(N) were not deployed and the impact on fleet air defense from that reduced conventional load.

(7) Any plans or programs for the development of a nuclear naval surface-to-air or air-to-air missile for fleet defense other than the SM-2(N).

(c) **REPORT ON REQUIREMENTS FOR SPECIAL NUCLEAR MATERIALS.—**

(1) Not later than March 1, 1986, the Secretary of Defense and the Secretary of Energy, after consultation with the Joint Chiefs of Staff and the Director of the Arms Control and Disarmament Agency, shall submit a report to the Committees on Armed Services of the Senate and House of Representatives detailing the military requirements for special nuclear materials through fiscal year 1991. The report shall include findings and recommendations concerning—

(A) requirements for production of plutonium, highly enriched uranium, and other special nuclear materials; and

(B) the recovery of special nuclear materials for military uses that have been transferred from military uses to civilian research and development uses.

(2) The report should also—

(A) address the availability of special nuclear materials to be derived from the retirement of existing nuclear weapons;

(B) address the feasibility of meeting military needs for special nuclear materials through the blending of high grade and low grade materials stocks;

(C) assess the impact of new materials separation, purification, and production technologies on nuclear proliferation; and

(D) contain the views of the Joint Chiefs of Staff and the Director of the Arms Control and Disarmament Agency.

PART D—MISCELLANEOUS REPORTING REQUIREMENTS

SEC. 1431. EXTENSION OF TIME FOR SUBMISSION OF REPORTS BY COMMISSION ON MERCHANT MARINE AND DEFENSE

46 USC app. 1120
note.

Section 1536 of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2633), is amended—

(1) by striking out “on September 30, 1985, and September 30, 1986” in subsection (b) and inserting in lieu thereof “12 months after the date of the enactment of the law first providing funds for the Commission and 24 months after such date”;

(2) in subsection (g)—

(A) by striking out “June 30, 1985, and June 30, 1986” and inserting in lieu thereof “nine months after the date of the enactment of the law first providing funds for the Commission and not later than 21 months after such date”; and

(B) by striking out “September 30, 1985, and September 30, 1986” and inserting in lieu thereof “12 months after such date of enactment and not later than 24 months after such date of enactment”; and

(3) by striking out “September 30, 1987” in subsection (i) and inserting in lieu thereof “September 30, 1988”.

SEC. 1432. REPORT ON NAVAL SHIPBUILDING AND REPAIR BASE

(a) **REQUIREMENT FOR REPORT BY SECRETARY OF THE NAVY.**—The Secretary of the Navy shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the industrial base for construction, overhaul, and repair of naval vessels (hereinafter in this section referred to as the “shipyard base”).

(b) **COMPETITION AND MOBILIZATION CAPABILITY.**—The report shall consider the current competitive environment in the shipyard base and the current mobilization capability of the shipyard base.

(c) **STUDY OF INCREASE IN NUMBER OF SHIPYARDS.**—(1) The report shall include an assessment of how competition in the shipyard base and the mobilization capability of the shipyard base would each be affected by an increase in the number of shipyards in the shipyard base and shall assess alternative ways of achieving such an increase.

(2) In assessing ways to increase the number of shipyards in the shipyard base, the Secretary shall consider the feasibility and desirability of expanding by one the number of shipyards currently engaged in construction of each of the following types of vessels:

(A) Trident nuclear-powered fleet ballistic missile submarines.

(B) Nuclear-powered attack submarines.

(C) Nuclear-powered aircraft carriers.

(D) Complex surface combatants.

(E) Auxiliaries.

(3) In considering ways to increase the number of shipyards constructing each type of vessel listed in paragraph (2), the Secretary shall consider expansion of the shipbuilding base on the West Coast of the United States and increased use of public shipyards.

(d) **FACTORS IN ASSESSMENT.**—The assessment of the current capabilities of the shipyard base and of each alternative identified under subsection (c)—

(1) shall be made considering the requirements of both peacetime competition and wartime mobilization capability; and

(2) shall include a description of the possible costs and benefits of the current capabilities and each alternative.

(e) **DEADLINE FOR REPORT.**—The report required by subsection (a) shall be submitted not later than January 31, 1986.

SEC. 1433. NUCLEAR REACTOR COMPONENTS FOR SSN-21 CLASS SUBMARINES

Not more than one-half of the funds appropriated pursuant to authorizations of appropriations in this Act for the design or construction of nuclear reactor components for the SSN-21 class submarine may be obligated until the Secretary of the Navy submits to the Committees on Armed Services of the Senate and House of Representatives a report on the industrial base for the design and

Report.

construction of nuclear components for the SSN-21 class submarine. The report shall evaluate the cost effectiveness of increasing the number of firms actively employed in the design of nuclear reactor components and the construction of nuclear reactor components.

SEC. 1434. AIRCRAFT FUEL CONSERVATION REPORT

(a) **SUBMISSION OF REPORT.**—The Secretary of Defense shall submit to Congress a report with respect to efforts by the Department of Defense since 1981 to reduce the use of fuel by military aircraft—

- (1) during takeoffs; and
- (2) in other situations in which the Secretary determines that the use of fuel may be reduced without lowering safety standards.

(b) **MATTERS TO BE INCLUDED.**—The report shall include discussion of—

- (1) specific fuel conservation initiatives;
- (2) estimated cost savings from such initiatives; and
- (3) ongoing efforts to further reduce the use of fuel by military aircraft.

(c) **TIME FOR SUBMISSION OF REPORT.**—The report shall be submitted not later than 90 days after the date of the enactment of this Act.

SEC. 1435. REPORT CONCERNING POSEIDON-CLASS SUBMARINE

(a) **REPORT ON ALTERNATIVE USES.**—The Secretary of Defense shall submit to Congress a report with respect to—

- (1) the feasibility of converting a Poseidon-class submarine into an SSN-type submarine or SSGN-type submarine; and
- (2) the feasibility of using a Poseidon-class submarine as a training platform.

(b) **DEADLINE FOR REPORT.**—The report shall be submitted not later than December 15, 1985.

SEC. 1436. REPORT AND DEMONSTRATION PROJECT CONCERNING THE SALE OF CERTAIN UNITED STATES MEAT IN MILITARY COMMISSARIES OVERSEAS

(a) **FEASIBILITY STUDY AND DEMONSTRATION PROJECT.**—The Secretary of Defense shall study the feasibility of providing beef, pork, and lamb produced in the United States for sale in American Military Forces' commissaries located overseas in volumes equivalent to beef, pork, and lamb secured for sale from non-United States producers. Such study—

(1) shall be carried out in consultation with the Secretary of Agriculture; and

(2) shall include a demonstration project in which beef, pork, and lamb produced in the United States shall be stocked in three commissaries on Air Force bases in Europe and in three commissaries located on Army bases in Europe for a six-month period in volumes equivalent to beef, pork, and lamb secured for sale from non-United States producers; such United States-produced products shall, to the best of the Secretary's ability, be made available at consumer prices which are competitive when compared with non-United States produced red-meat products offered for sale in the commissary system.

(b) **REPORT.**—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the results of such study and the findings and conclusions

of the Secretary under such study. Such report shall include any views provided by the Secretary of Agriculture.

SEC. 1437. REPORT ON RETENTION OF BASIC POINT DEFENSE MISSILE SYSTEM

(a) **REQUIREMENT FOR REPORT BY SECRETARY OF THE NAVY.**—The Secretary of the Navy shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the removal of the Basic Point Defense Missile System from naval amphibious vessels.

(b) **REPLACEMENT OF THE BASIC POINT DEFENSE MISSILE SYSTEM.**—(1) The report shall consider the current plans to replace the Basic Point Defense Missile System on amphibious vessels with the Close-in Weapon System (CIWS).

(2) The report shall include an assessment of the effectiveness of the anti-air warfare capabilities of amphibious vessels. This assessment shall be used by the Secretary of the Navy in considering augmenting rather than replacing the Basic Point Defense Missile System on amphibious vessels with the Close-in Weapon System.

(c) **LIMITATIONS ON REMOVAL OF BASIC POINT DEFENSE MISSILE SYSTEM.**—The Secretary of the Navy may not remove the Basic Point Defense Missile System from amphibious vessels until the report is submitted.

SEC. 1438. REPORT ON RETIREMENT BENEFITS OF PHILIPPINE SCOUTS

(a) **IN GENERAL.**—The Secretary of the Army (hereinafter in this section referred to as the “Secretary”) shall conduct a study of—

(1) the disparity between the pay received by members of the Philippine Scouts who served during World War II and the pay received by other members of the United States Army during such war who had grades and lengths of service that correspond to the grades and lengths of service of such members of the Philippine Scouts; and

(2) the effect of this disparity on the retirement benefits of such members of the Philippine Scouts and their survivors.

(b) **PARTICULAR SUBJECTS OF THE STUDY.**—In carrying out such study, the Secretary shall—

(1) compile a list of all persons who served as members of the Philippine Scouts during the period beginning on December 7, 1941, and ending on December 31, 1946;

(2) compile a list of persons described in paragraph (1) who are alive on the date of enactment of this Act;

(3) determine the amount of basic pay each person described in paragraph (2) received for services rendered as a member of the Philippine Scouts during the period described in such paragraph and compare it with the amount of basic pay each such person would have received as a member of the Philippine Scouts during that period if the rates of basic pay during such period for the Philippine Scouts had been the same as the rates of basic pay for other members of the United States Army with corresponding grades and length of service during such period;

(4) determine the amount of retired pay that each person described in paragraph (2) is entitled to receive as retired pay from the Army as a result of service rendered as a Philippine Scout and compare it with the amount such person would receive for periods beginning after the date of enactment of this Act if the rate of basic pay payable to such person during the

period described in paragraph (1) had been the rate of basic pay payable to any other member of the United States Army with the corresponding grade and length of service during such period; and

(5) determine possible options, and the costs of each, for recalculating the retirement pay of persons described in paragraph (2), including survivor benefits, in order to remedy the disparity in pay received by such persons during their service as Philippine Scouts.

(c) **REPORT.**—(1) The Secretary shall transmit, within one year after the date of enactment of this Act, to the Committees on Armed Services of the Senate and House of Representatives a report containing the findings and conclusions of the Secretary with respect to each of the matters described in paragraphs (1) through (5) of subsection (b).

(2) If the Secretary determines that—

(A) the documents necessary to compile the lists and make the determinations under subsection (b) are not attainable through reasonable efforts; or

(B) the cost of compiling such lists and making such determinations is excessive,

the Secretary shall make a report as soon as practicable to such Committees with a justification of such determination.

(3) If a report is made to the Committees under paragraph (2), the report to such Committees under paragraph (1) shall be based on the best information that can be reasonably obtained without excessive costs.

SEC. 1439. REPORT ON DEATH PENALTY FOR ESPIONAGE

(a) **STUDY.**—The Secretary of Defense shall conduct a study of the desirability of reinstating the death penalty as an alternative penalty for persons convicted of espionage relating to the national defense.

(b) **REPORT.**—The Secretary shall submit to Congress a report containing the results of such study, together with any related recommendations for legislation, not later than 30 days after the date of the enactment of this Act.

SEC. 1440. REPORT ON IMPACT OF FOREIGN EXPORTS ON THE DEFENSE INDUSTRIAL BASE OF THE UNITED STATES

(a) **STUDY.**—The Secretary of Defense shall conduct a study regarding the effects that foreign export subsidies have had on the defense industrial base of the United States.

(b) **SPECIFIC REQUIREMENTS.**—The Secretary shall include in such study the following:

(1) A compilation of the contracts (including the name of the contracting firms) valued in excess of \$1,000,000 awarded to foreign firms by the Department of Defense during fiscal year 1984, fiscal year 1985, and the first six months of fiscal year 1986.

(2) In the case of a product procured by the Department of Defense which was exported to the United States under a contract compiled pursuant to paragraph (1), whether the Secretary of Commerce or the Secretary of the Treasury has determined since 1970 that the product exported to the United States under such contract is subject to a countervailing duty under title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.) and (if

Contracts.

so) a description of the subsidy that led to such determination, including a description of the type and amount of the subsidy.

(c) **SUBMISSION OF REPORT.**—Not later than June 1, 1986, the Secretary shall submit to the Congress a report containing the results of the study required under subsection (a).

SEC. 1441. SENSE OF CONGRESS REGARDING THE FIRING OF TACTICAL MISSILES FOR TRAINING PURPOSES

(a) **SENSE OF CONGRESS.**—It is the sense of the Congress that, in carrying out the comprehensive analysis of the threat-based munitions and related expendables directed to be made by the Secretary of Defense pursuant to Senate Report 99-41, dated April 29, 1985, the Secretary should also develop standard criteria—

(1) for identifying, in the case of each tactical missile of the Department of Defense, the training objectives that are uniquely served by the live-firing of such missiles and to provide guidance for the development of live-firing and training requirements based on such criteria;

(2) for utilizing, to the maximum extent practicable, the use of tactical missile evaluation programs for live-firing training purposes;

(3) for improving the reporting and evaluation requirements with regard to the live-firing of missiles; and

(4) for increasing, to the maximum extent practicable and without degrading readiness, the use of training devices and simulators as alternatives to exercises involving the live-firing of missiles for training purposes.

(b) **REPORT.**—The Secretary shall submit a report to the Congress not later than February 1, 1986, informing the Congress of the actions taken by the Secretary to develop standard criteria with respect to the matters referred to in subsection (a).

SEC. 1442. REPORT ON FEASIBILITY OF DRUG TESTING OF PROSPECTIVE RECRUITS

(a) **IN GENERAL.**—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the feasibility of implementing a program in the Department of Defense designed to detect use of illegal drugs by persons who have been accepted for entry into the Armed Forces but who have not become members of the Armed Forces.

(b) **MATTERS TO BE INCLUDED.**—The Secretary shall include in the report required by subsection (a)—

(1) an explanation of how such a program would operate;

(2) the Secretary's assessment of the value of such a program;

(3) a discussion of any problems that might complicate the administration of such a program;

(4) a discussion of the advantages and disadvantages of instituting such a program;

(5) an estimate of any savings that the United States might realize by detecting use of illegal drugs by persons before they become members of the Armed Forces; and

(6) any recommendations for legislation that the Secretary considers necessary or appropriate to establish such a program.

(c) **DEADLINE FOR REPORT.**—The Secretary shall submit the report required under subsection (a) not later than October 1, 1985.

PART E—MISCELLANEOUS PROVISIONS

SEC. 1451. SENSE OF CONGRESS ON INTRODUCTION OF ARMED FORCES INTO NICARAGUA FOR COMBAT

It is the sense of Congress that United States Armed Forces should not be introduced into or over Nicaragua for combat. However, nothing in this section shall be construed as affecting the authority and responsibility of the President or Congress under the Constitution, statutes, or treaties of the United States in force.

SEC. 1452. SENSE OF CONGRESS CONCERNING PROTECTION OF UNITED STATES MILITARY PERSONNEL AGAINST TERRORISM

(a) FINDING.—The Congress finds that the protection of members of the Armed Forces against terrorist activity is among the highest national security concerns of the United States.

(b) SENSE OF CONGRESS.—Therefore, it is the sense of Congress that—

(1) the President should be supported in the vigorous exercise of his powers as Commander-in-Chief to protect members of the Armed Forces against terrorist activity; and

(2) such exercise of power should include the use of such measures as may be appropriate and consistent with law.

SEC. 1453. READINESS OF SPECIAL OPERATIONS FORCES

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the first duty of the Government is to provide for the common defense, including safeguarding the peace, safety, and security of the citizens of the United States;

(2) the incidence of terrorist, guerilla, and other violent threats to citizens and property of the United States has rapidly increased;

(3) the special operations forces of the Armed Forces provide the United States with immediate and primary capability to respond to terrorism; and

(4) the special operations forces are the military mainstay of the United States for the purposes of nation-building and training friendly foreign forces in order to preclude deployment or combat involving the conventional or strategic forces of the United States.

(b) SENSE OF THE CONGRESS.—In view of the findings in subsection (a), it is the sense of the Congress that—

(1) the revitalization of the capability of the special operations forces of the Armed Forces should be pursued as a matter of the highest priority;

(2) personnel and other resource allocations should reflect the priority referred to in paragraph (1);

(3) the political and military sensitivity and the importance to national security of the special operations forces require that the Office of the Secretary of Defense should improve its management supervision of such forces in all aspects of the *special operations mission area*;

(4) the joint command and control of the special operations forces must permit direct and immediate access by the President and Secretary of Defense; and

(5) the commanders-in-chief of the unified commands should have available, within their operational areas of responsibility, sufficient special operations assets to execute the operations

plans for which they are responsible or to support additional contingency operations directed from the national level.

SEC. 1454. AUTHORITY TO PROVIDE EXCESS PERSONAL PROPERTY FOR HUMANITARIAN PURPOSES

(a) **AUTHORITY TO PROVIDE NONLETHAL EXCESS PROPERTY.**—Chapter 151 of title 10, United States Code, is amended by adding at the end thereof the following new section:

“§ 2547. Excess nonlethal supplies: humanitarian relief

10 USC 2547.

“(a) The Secretary of Defense may make available for humanitarian relief purposes any nonlethal excess supplies of the Department of Defense.

“(b) Excess supplies made available for humanitarian relief purposes under this section shall be transferred to the Secretary of State, who shall be responsible for the distribution of such supplies.

“(c) This section does not constitute authority to conduct any activity which, if carried out as an intelligence activity by the Department of Defense, would require—

“(1) a finding under section 662 of the Foreign Assistance Act of 1961 (22 U.S.C. 2422); or

“(2) a notice to the intelligence committees under section 501(a)(1) of the National Security Act of 1947 (50 U.S.C. 413).

“(d)(1) The Secretary of State shall submit an annual report on the disposition of all excess supplies transferred by the Secretary of Defense to the Secretary of State under this section during the preceding year.

Report.

“(2) Such reports shall be submitted to the Committees on Armed Services and on Foreign Relations of the Senate and the Committees on Armed Services and on Foreign Affairs of the House of Representatives.

“(3) Such reports shall be submitted not later than June 1 of each year.

“(e) In this section:

“(1) ‘Nonlethal excess supplies’ means property, other than real property, of the Department of Defense—

“(A) that is excess property, as defined in regulations of the Department of Defense; and

“(B) that is not a weapon, ammunition, or other equipment or material that is designed to inflict serious bodily harm or death.

“(2) ‘Intelligence committees’ means the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives.”

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

“2547. Excess nonlethal supplies: humanitarian relief.”

SEC. 1455. ENCOURAGEMENT OF CONSTRUCTION IN UNITED STATES SHIPYARDS OF COMBATANT VESSELS FOR UNITED STATES ALLIES

(a) **IN GENERAL.**—The Secretary of the Navy shall take such steps as necessary—

(1) to encourage United States shipyards to construct combatant vessels for nations friendly to the United States, subject to the requirement to safeguard sensitive warship technology; and

(2) to ensure that no effort is made by any element of the Department of the Navy to inhibit, delay, or halt the provision of any United States naval system to a nation allied with the United States if that system is approved for export to a foreign nation, unless approval of such system for export is withheld solely for the purpose of safeguarding sensitive warship technology;

(3) if opportunities arise to construct combatant vessels (including diesel submarines) outside the United States in a shipyard of a friendly foreign nation, with some or all of the costs provided by United States funds—

(A) to encourage United States firms to participate in such construction to the maximum extent possible, subject to the requirement to safeguard sensitive warship technology; and

(B) to ensure, whenever practicable, that at least 51 percent of the dollar value of such construction is provided by United States firms.

(b) **DEFINITION.**—For the purposes of this section, the term “sensitive warship technology” means technology relating to the design or construction of a combatant naval vessel that is determined by the Secretary of Defense to be vital to United States security.

SEC. 1456. DEFENSE INDUSTRIAL BASE FOR TEXTILE AND APPAREL PRODUCTS

(a) **CAPABILITY OF DOMESTIC TEXTILE AND APPAREL INDUSTRIAL BASE.**—The Secretary of Defense shall monitor the capability of the domestic textile and apparel industrial base to support defense mobilization requirements.

(b) **ANNUAL REPORT.**—The Secretary shall submit to Congress not later than April 1 of each of the five years beginning with 1986 a report on the status of such industrial base. Each such report shall include—

(1) an identification of textile and apparel mobilization requirements of the Department of Defense that cannot be satisfied on a timely basis by the domestic industries;

(2) an assessment of the effect any inadequacy in the textile and apparel industrial base would have on a defense mobilization; and

(3) recommendations for ways to alleviate any inadequacy in such industrial base that the Secretary considers critical to defense mobilization requirements.

SEC. 1457. ENCOURAGEMENT OF TECHNOLOGY TRANSFER

(a) **IN GENERAL.**—Chapter 139 of title 10, United States Code (as amended by section 123(a)(1)), is amended by adding at the end thereof the following new section:

“§ 2363. Encouragement of technology transfer

“(a) The Secretary of Defense shall encourage, to the extent consistent with national security objectives, the transfer of technology between laboratories and research centers of the Department of Defense and other Federal agencies, State and local governments, colleges and universities, and private persons in cases that are likely to result in the maximum domestic use of such technology.

“(b) The Secretary shall examine and implement methods, in addition to the encouragement referred to in subsection (a), that are consistent with national security objectives and will enable Depart-

Ante, p. 599.

Research and development. State and local governments. Schools and colleges.
10 USC 2363.

ment of Defense personnel to promote technology transfer in cases referred to in subsection (a).”

(b) **CLERICAL AMENDMENT.**—The table of sections at the beginning of such chapter (as amended by section 123(a)(2)) is amended by adding at the end thereof the following new item:

“2363. Encouragement of technology transfer.”

SEC. 1458. CIVIL AIR PATROL

(a) **REIMBURSEMENT FOR MAJOR ITEMS OF EQUIPMENT.**—Section 9441(b)(10) of title 10, United States Code, is amended by striking out “authorize the purchase with funds appropriated to the Air Force” and inserting in lieu thereof “reimburse the Civil Air Patrol for costs incurred for the purchase”.

98 Stat. 2632.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect on October 1, 1985.

10 USC 9441 note.

SEC. 1459. NATIONAL SCIENCE CENTER FOR COMMUNICATIONS AND ELECTRONICS

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

(1) Scientific and technological developments in communications and electronics are of particular importance to the United States in meeting its national security, industrial, and other needs.

(2) Enhanced training in the technical communications, electronics, and computer disciplines is necessary for a more efficient and effective military force.

(3) The Secretary of the Army, through the Training and Doctrine Command, is responsible for providing training to members of the Army.

(4) The Ninety-seventh Congress, in Senate Concurrent Resolution 130 of that Congress, encouraged the establishment within the United States of a national center dedicated to communications and electronics.

96 Stat. 2674.

(5) The Secretary of the Army entered into a Memorandum of Understanding with the National Science Center for Communications and Electronics Foundation Incorporated, a nonprofit corporation of the State of Georgia, in which the Army and such foundation agreed to develop a science center for—

- (A) the promotion of engineering principles and practices;
- (B) the advancement of scientific education for careers in communications and electronics; and
- (C) the portrayal of the communications, electronics, and computer arts.

(b) **PURPOSE.**—It is the purpose of this section—

(1) to recognize the relationship between the Army and the National Science Center for Communications and Electronics Foundation Incorporated (hereinafter in this section referred to as the “Foundation”) for the development, construction, and operation of a national science center; and

(2) to authorize the Secretary of the Army (hereinafter in this section referred to as the “Secretary”) to make available a suitable site for the construction of such a center, to accept title to the center facilities when constructed, and to provide for the management, operation, and maintenance of such a center after the transfer of title of the center to the Secretary.

(c) **NATIONAL SCIENCE CENTER.**—(1) Subject to paragraph (2), the Secretary may provide a suitable parcel of land at or near Fort

Georgia.

Gordon, Georgia, for the construction by the Foundation of a National Science Center to meet the objectives expressed in subsection (a). Upon completion of the construction of the center, the Secretary may accept title to the center and may provide for the management, operation, and maintenance of the center.

(2) As a condition to making a parcel of land available to the Foundation for the construction of a National Science Center, the Secretary shall have the right to approve the design of the center, including all plans, specifications, contracts, sites, and materials to be used in the construction of such center and all rights-of-way, easements, and rights of ingress and egress for the center. The Secretary's approval of the design and plans shall be based on good business practices and accepted engineering principles, taking into consideration safety and other appropriate factors.

(d) GIFTS.—The Secretary may accept conditional or unconditional gifts made for the benefit of, or in connection with, the center.

(e) ADVISORY BOARD.—The Secretary may appoint an advisory board to advise the Secretary regarding the operation of the center in pursuit of the goals of the center described in subsection (a)(5). The Secretary may appoint to the advisory board such members of the Board of Directors of the Foundation as the Secretary considers appropriate. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the advisory board appointed under this subsection.

(f) AVAILABILITY OF CENTER TO FOUNDATION.—Consistent with the mission of the Armed Forces and the efficient operation of the center, the Secretary may make facilities at the center available to the Foundation—

(1) for its corporate activities; and

(2) for such endeavors in the area of communications and electronics as the Secretary may consider appropriate.

(g) OTHER AUTHORIZED USES.—(1) The Secretary may make the center available to the public and to other departments and agencies of the Government for research and study and for public exhibitions. The Secretary may charge for such uses as he considers necessary and appropriate.

(2) Any money collected for the use of the facilities of the center shall be deposited to a special fund maintained by the Secretary for the maintenance and operation of the center. The Secretary shall require the Auditor General of the Army to audit the records of such fund at least once every two years and to report the results of the audits to the Secretary.

SEC. 1460. DONATIONS BY COMMISSARY STORES OF CERTAIN UNMARKETABLE FOOD

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

10 USC 2485.

“§ 2485. Commissary stores: donation of unmarketable food

“(a) The Secretary of a military department may donate commissary store food described in subsection (b) to authorized charitable nonprofit food banks.

“(b) Food that may be donated under this section is food of a commissary store—

“(1) that is—

“(A) unmarketable;

“(B) unsaleable; and

“(C) certified as edible by appropriate food inspection technicians; and

“(2) that would otherwise be destroyed as unusable.

“(c) A donation under this section shall take place at the site of the commissary that is donating the food.

“(d) A donation under this section may only be made to an entity that is authorized by the Secretary of Defense or the Secretary of Health and Human Services to receive donations under this section.

“(e) This section does not authorize any service (including transportation) to be provided in connection with a donation under this section.”

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

“2485. Commissary stores: donation of unmarketable food.”

SEC. 1461. LIMITATION ON GRATUITIES AT NAVAL SHIPBUILDING CEREMONIES

5 USC 7301 note.

(a) **GENERAL RULE.**—A Federal officer, employee, or Member of Congress may not accept, directly or indirectly, any tangible thing of value as a gift or memento in connection with a ceremony to mark the completion of a naval shipbuilding milestone.

(b) **EXCLUSION.**—Subsection (a) does not apply to a gift or memento that has a value of less than \$100.

(c) **DEFINITIONS.**—For purposes of this section, the terms “officer”, “employee”, and “Member of Congress” have the meanings given those terms in sections 2104, 2105, and 2106, respectively, of title 5, United States Code.

SEC. 1462. AUTHORITY TO TRANSFER CERTAIN AIRCRAFT

(a) **IN GENERAL.**—The Secretary of the Navy may transfer title to an aircraft described in subsection (b) to the institution leasing the aircraft if the Secretary certifies—

(1) that at the time of the transfer the aircraft is being used by the organization holding the aircraft for a purpose consistent with the use intended when the aircraft was first leased to the institution; and

(2) that the Department of the Navy no longer needs the aircraft.

(b) **COVERED AIRCRAFT.**—The authority of the Secretary of the Navy under subsection (a) applies with respect to an aircraft—

(1) that on the date of the enactment of this Act is being leased by the Secretary to a State-supported educational institution; and

(2) for which a lease for such aircraft began with such institution on or before January 1, 1976.

(c) **COMPENSATION.**—A transfer under this section shall be made without compensation or reimbursement to the United States.

SEC. 1463. AUTHORITY TO LEASE AIR FORCE HELICOPTERS TO THE STATE OF CALIFORNIA

Notwithstanding any other provision of this or any other Act, the Secretary of the Air Force may lease not more than 12 UH-F1 helicopters to the Department of Forestry of the State of California for the purposes of fighting forest fires, search and rescue missions, and vegetation control activities. The lease of helicopters under this section shall be made subject to such terms and conditions as the

Secretary considers fair, reasonable, and necessary to protect the interests of the United States.

SEC. 1464. SENSE OF THE CONGRESS CONCERNING ESTABLISHMENT OF TRAVEL OFFICES OR ACQUISITION OF TRAVEL SERVICES

It is the sense of the Congress that the Secretary of each military department should provide, in the establishment of travel offices or the acquisition of travel services for official travel, for free and open competition among commercial travel agencies, scheduled airline traffic offices (SATO), and other entities which provide such services.

SEC. 1465. AMERICAN STAGE EQUIPMENT FOR UNITED STATES PATRIOTIC EVENTS

It is the sense of Congress that performing groups in the Armed Forces should use domestically manufactured entertainment support items, such as pianos and organs, sound and lighting equipment, and other items essential for quality entertainment, at patriotic and ceremonial events in the Capitol, on the Capitol Grounds, and at all other Federal buildings, unless there is no domestically manufactured item of comparable quality and price.

SEC. 1466. SALE OF CERTAIN RECORDINGS OF UNITED STATES AIR FORCE BAND

(a) **AUTHORIZED SALE.**—Notwithstanding any other provision of law, the Secretary of the Air Force may produce recordings of the concert of the United States Air Force Band in Salt Lake City, Utah, on April 18 and 19, 1985, for commercial sale.

(b) **AUTHORIZED CONTRACT.**—The Secretary may enter into an appropriate contract, under such terms as the Secretary determines to be in the best interest of the Government, for the production and sale authorized by subsection (a).

Department of
Energy National
Security and
Military
Applications of
Nuclear Energy
Authorization
Act of 1986.

TITLE XV—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

SEC. 1501. SHORT TITLE

This title may be cited as the “Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1986”.

PART A—NATIONAL SECURITY PROGRAMS AUTHORIZATIONS

SEC. 1511. OPERATING EXPENSES

Funds are authorized to be appropriated to the Department of Energy for fiscal year 1986 for operating expenses incurred in carrying out national security programs (including scientific research and development in support of the Armed Forces, strategic and critical materials necessary for the common defense, and military applications of nuclear energy and related management and support activities) as follows:

(1) For naval reactors development, \$489,000,000.

(2) For weapons activities, \$3,519,200,000, to be allocated as follows:

(A) For research and development, \$850,300,000.

(B) For weapons testing, \$537,800,000.

- (C) For the defense inertial confinement fusion program, \$145,000,000.
- (D) For production and surveillance, \$1,887,400,000.
- (E) For program direction, \$98,700,000.
- (3) For verification and control technology, \$90,975,000, of which \$3,800,000 shall be used for program direction.
- (4) For defense nuclear materials production, \$1,556,300,000, to be allocated as follows:
 - (A) For uranium enrichment, \$208,900,000.
 - (B) For production reactor operations, \$576,380,000.
 - (C) For processing of defense nuclear materials, \$493,145,000, of which \$74,800,000 shall be used for special isotope separation.
 - (D) For supporting services, \$256,575,000, of which \$26,000,000 shall be used for the plasma separation process program.
 - (E) For program direction, \$21,300,000.
- (5) For defense nuclear waste and byproduct management, \$395,037,000, to be allocated as follows:
 - (A) For interim waste management, \$271,000,000.
 - (B) For long-term waste management technology, \$96,567,000.
 - (C) For terminal waste storage, \$25,070,000.
 - (D) For program direction, \$2,400,000.
- (6) For nuclear materials safeguards and security technology development program, \$54,325,000, of which \$6,925,000 shall be used for program direction.
- (7) For security investigations, \$33,400,000.

SEC. 1512. PLANT AND CAPITAL EQUIPMENT

Funds are authorized to be appropriated to the Department of Energy for fiscal year 1986 for plant and capital equipment (including planning, construction, acquisition, and modification of facilities, land acquisition related thereto, and acquisition and fabrication of capital equipment not related to construction) necessary for national security programs as follows:

(1) For weapons activities:

Project 86-D-101, general plant projects, various locations, \$26,900,000.

Project 86-D-121, general plant projects, various locations, \$28,700,000.

Project 86-D-103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, \$3,700,000.

Project 86-D-104, strategic defense facility, Sandia National Laboratories, Albuquerque, New Mexico, \$4,000,000.

Project 86-D-105, Instrumentation Systems Laboratory, Sandia National Laboratories, Albuquerque, New Mexico, \$6,200,000.

Project 86-D-122, structural upgrade of existing plutonium facilities, Rocky Flats Plant, Golden, Colorado, \$3,000,000.

Project 86-D-123, environmental hazards elimination, various locations, \$8,700,000.

Project 86-D-124, safeguards and site security upgrading, phase II, Mound Plant, Miamisburg, Ohio, \$3,000,000.

Project 86-D-125, safeguards and site security upgrade, phase II, Pantex Plant, Amarillo, Texas, \$1,500,000.

Project 86-D-130, Tritium loading facility replacement, Savannah River Plant, Aiken, South Carolina, \$5,000,000.

Project 86-D-133, Data Communications Laboratory, Los Alamos National Laboratory, Los Alamos, New Mexico, \$3,000,000.

Project 85-D-102, nuclear weapons research, development, and testing facilities revitalization, phase I, various locations, \$65,400,000, for a total project authorization of \$100,800,000.

Project 85-D-103, safeguards and security enhancements, Lawrence Livermore National Laboratory and Sandia National Laboratories, Livermore, California, \$16,400,000, for a total project authorization of \$21,100,000.

Project 85-D-105, combined device assembly facility, Nevada Test Site, Nevada, \$7,000,000, for a total project authorization of \$14,600,000.

Project 85-D-106, hardened engineering test building, Lawrence Livermore National Laboratory, Livermore, California, \$1,900,000, for a total project authorization of \$2,700,000.

Project 85-D-112, enriched uranium recovery improvements, Y-12 Plant, Oak Ridge, Tennessee, \$15,300,000, for a total project authorization of \$19,800,000.

Project 85-D-113, powerplant and steam distribution system, Pantex Plant, Amarillo, Texas, \$18,500,000, for a total project authorization of \$23,000,000.

Project 85-D-115, renovate plutonium building utility systems, Rocky Flats Plant, Golden, Colorado, \$17,700,000, for a total project authorization of \$20,600,000.

Project 85-D-121, air and water pollution control facilities, Y-12 Plant, Oak Ridge, Tennessee, \$14,000,000, for a total project authorization of \$19,000,000.

Project 85-D-123, safeguards and site security upgrade, phase I, Pantex Plant, Amarillo, Texas, \$4,000,000, for a total project authorization of \$5,000,000.

Project 85-D-124, safeguards and site security upgrade, Rocky Flats Plant, Golden, Colorado, \$2,400,000, for a total project authorization of \$3,400,000.

Project 85-D-125, tactical bomb production facilities, various locations, \$6,000,000, for a total project authorization of \$16,000,000.

Project 84-D-102, radiation-hardened integrated circuit laboratory, Sandia National Laboratories, Albuquerque, New Mexico, \$15,500,000, for a total project authorization of \$37,500,000.

Project 84-D-104, nuclear materials storage facility, Los Alamos National Laboratory, Los Alamos, New Mexico, \$12,100,000, for a total project authorization of \$19,300,000.

Project 84-D-107, nuclear testing facilities revitalization, various locations, \$14,900,000, for a total project authorization of \$65,940,000.

Project 84-D-112, Trident II warhead production facilities, various locations, \$60,700,000, for a total project authorization of \$140,700,000.

Project 84-D-113, anti-submarine warfare/standoff weapon warhead production facilities, various locations, \$10,000,000.

Project 84-D-115, electrical system expansion, Pantex Plant, Amarillo, Texas, \$3,300,000, for a total project authorization of \$14,800,000.

Project 84-D-117, inert assembly and test facility, Pantex Plant, Amarillo, Texas, \$400,000, for a total project authorization of \$13,600,000.

Project 84-D-118, high-explosive subassembly facility, Pantex Plant, Amarillo, Texas, \$33,000,000, for a total project authorization of \$40,000,000.

Project 84-D-120, explosive component test facility, Mound Plant, Miamisburg, Ohio, \$2,300,000, for a total project authorization of \$22,300,000.

Project 84-D-211, safeguards and site security upgrading, Y-12 Plant, Oak Ridge, Tennessee, \$7,500,000, for a total project authorization of \$23,000,000.

Project 84-D-212, safeguards and site security upgrade, Pinellas Plant, Florida, \$3,800,000, for a total project authorization of \$7,500,000.

Project 83-D-199, buffer land acquisition, Lawrence Livermore National Laboratory and Sandia National Laboratories, Livermore, California, \$10,000,000, for a total project authorization of \$34,000,000.

Project 82-D-107, utilities and equipment restoration, replacement, and upgrade, phase III, various locations, \$170,000,000, for a total project authorization of \$740,400,000.

Project 82-D-111, interactive graphics systems, various locations, \$4,000,000, for a total project authorization of \$24,000,000.

Project 82-D-144, Simulation Technology Laboratory, Sandia National Laboratories, Albuquerque, New Mexico, \$10,300,000, for a total project authorization of \$34,000,000.

Project 79-7-0, Universal Pilot Plant, Pantex Plant, Amarillo, Texas, \$4,500,000, for a total project authorization of \$20,400,000.

(2) For materials production:

Project 86-D-146, general plant projects, various locations, \$29,800,000.

Project 86-D-148, special isotope separation plant (design only), site undesignated, \$8,000,000.

Project 86-D-149, productivity retention program, phase I, various locations, \$24,200,000.

Project 86-D-150, in-core neutron monitoring system, N reactor, Richland, Washington, \$4,460,000.

Project 86-D-151, PUREX electrical system upgrade, Richland, Washington, \$2,500,000.

Project 86-D-152, reactor electrical distribution system, Savannah River, South Carolina, \$2,000,000.

Project 86-D-153, additional line III furnace, Savannah River, South Carolina, \$1,500,000.

Project 86-D-154, effluent treatment facility, Savannah River, South Carolina, \$2,500,000.

Project 86-D-156, plantwide safeguards systems, Savannah River, South Carolina, \$3,000,000.

Project 86-D-157, hydrofluorination system, FB-Line, Savannah River, South Carolina, \$2,200,000.

Project 85-D-137, vault safety special nuclear material inventory system, Richland, Washington, \$1,900,000, for a total project authorization of \$4,400,000.

Project 85-D-139, fuel processing restoration, Idaho Fuels Processing Facility, Idaho National Engineering Laboratory, Idaho, \$12,000,000, for a total project authorization of \$22,000,000.

Project 85-D-140, productivity and radiological improvements, Feed Materials Production Center, Fernald, Ohio, \$12,000,000, for a total project authorization of \$18,000,000.

Project 85-D-145, fuel production facility, Savannah River, South Carolina, \$16,000,000, for a total project authorization of \$25,800,000.

Project 84-D-135, process facility modifications, Richland, Washington, \$15,000,000, for a total project authorization of \$32,500,000.

Project 84-D-136, enriched uranium conversion facility modifications, Y-12 Plant, Oak Ridge, Tennessee, \$7,200,000, for a total project authorization of \$19,600,000.

Project 83-D-148, non-radioactive hazardous waste management, Savannah River, South Carolina, \$3,100,000, for a total project authorization of \$22,100,000.

Project 82-D-124, restoration of production capabilities, phases II, III, IV, and V, various locations, \$43,900,000, for a total project authorization of \$348,534,000.

Project 82-D-201, special plutonium recovery facilities, JB-Line, Savannah River, South Carolina, \$4,400,000, for a total project authorization of \$83,800,000.

(3) For defense waste and byproducts management:

Project 86-D-171, general plant projects, interim waste operations and long-term waste management technology, various locations, \$24,451,000.

Project 86-D-172, B plant F filter, Richland, Washington, \$1,000,000.

Project 86-D-173, central waste disposal facility, Oak Ridge, Tennessee, \$1,000,000.

Project 86-D-174, low-level waste processing and shipping system, Feed Materials Production Center, Fernald, Ohio, \$2,500,000.

Project 86-D-175, Idaho National Engineering Laboratory security upgrade, Idaho National Engineering Laboratory (INEL), Idaho, \$2,000,000.

Project 85-D-157, seventh calcined solids storage facility, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, \$14,500,000, for a total project authorization of \$21,500,000.

Project 85-D-158, central warehouse upgrade, Richland, Washington, \$5,000,000, for a total project authorization of \$5,700,000.

Project 85-D-159, new waste transfer facilities, H-Area, Savannah River, South Carolina, \$9,000,000, for a total project authorization of \$20,000,000.

Project 85-D-160, test reactor area security system upgrade, Idaho National Engineering Laboratory (INEL),

Idaho, \$2,250,000, for a total project authorization of \$4,250,000.

Project 81-T-105, defense waste processing facility, Savannah River, South Carolina, \$165,000,000, for a total project authorization of \$597,500,000.

(4) For verification and control technology:

Project 85-D-171, space science laboratory, Los Alamos, New Mexico, \$4,500,000, for a total project authorization of \$5,500,000.

(5) Nuclear safeguards and security:

Project 86-D-186, Nuclear Safeguards Technology Laboratory, Los Alamos National Laboratory, Los Alamos, New Mexico, \$1,000,000.

(6) For naval reactors development:

Project 86-N-101, general plant projects, various locations, \$4,000,000.

Project 86-N-104, reactor modifications, advance test reactor, Idaho National Engineering Laboratory, \$4,500,000.

Project 82-N-111, materials facility, Savannah River, South Carolina, \$11,000,000, for a total project authorization of \$176,000,000.

Project 81-T-112, modifications and additions to prototype facilities, various locations, \$27,000,000, for a total project authorization of \$137,000,000.

(7) For capital equipment not related to construction:

(A) for weapons activities, \$267,750,000;

(B) for inertial confinement fusion, \$10,000,000;

(C) for materials production, \$123,440,000;

(D) for defense waste and byproducts management, \$38,997,000;

(E) for verification and control technology, \$5,600,000;

(F) for nuclear safeguards and security, \$4,600,000; and

(G) for naval reactors development, \$29,000,000.

PART B—RECURRING GENERAL PROVISIONS

SEC. 1521. REPROGRAMMING

(a) NOTICE TO CONGRESS.—Except as otherwise provided in this title—

(1) no amount appropriated pursuant to this title may be used for any program in excess of 105 percent of the amount authorized for that program by this title or \$10,000,000 more than the amount authorized for that program by this title, whichever is the lesser, and

(2) no amount appropriated pursuant to this title may be used for any program which has not been presented to, or requested of, the Congress,

unless a period of 30 calendar days (not including any day on which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after receipt by the appropriate committees of Congress of notice from the Secretary of Energy (hereinafter in this part referred to as the "Secretary") containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or unless each such committee

before the expiration of such period has transmitted to the Secretary written notice to the effect that such committee has no objection to the proposed action.

(b) **LIMITATION ON AMOUNT OBLIGATED.**—In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

SEC. 1522. LIMITS ON GENERAL PLANT PROJECTS

(a) **IN GENERAL.**—The Secretary may carry out any construction project under the general plant projects provisions authorized by this title if the total estimated cost of the construction project does not exceed \$1,200,000.

(b) **REPORT TO CONGRESS.**—If at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds \$1,200,000, the Secretary shall immediately furnish a complete report to the appropriate committees of Congress explaining the reasons for the cost variation.

SEC. 1523. LIMITS ON CONSTRUCTION PROJECTS

Ante, p. 767.

(a) **IN GENERAL.**—Whenever the current estimated cost of a construction project, which is authorized by section 1512 of this title, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(1) the amount authorized for the project; or

(2) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to the Congress,

construction may not be started or additional obligations incurred in connection with the project above the total estimated cost, as the case may be, unless a period of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three days to a day certain) has passed after receipt by the appropriate committees of Congress of written notice from the Secretary containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the action, or unless each committee before the expiration of such period has notified the Secretary it has no objection to the proposed action.

(b) **EXCEPTION.**—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than \$5,000,000.

SEC. 1524. FUND TRANSFER AUTHORITY

To the extent specified in appropriation Acts, funds appropriated pursuant to this title may be transferred to other agencies of the Government for the performance of the work for which the funds were appropriated, and funds so transferred may be merged with the appropriations of the agency to which the funds are transferred.

SEC. 1525. AUTHORITY FOR CONSTRUCTION DESIGN

(a) **IN GENERAL.**—(1) Within the amounts authorized by this title for plant engineering and design, the Secretary may carry out advance planning and construction designs (including architectural and engineering services) in connection with any proposed construc-

tion project if the total estimated cost for such planning and design does not exceed \$2,000,000.

(2) In any case in which the total estimated cost for such planning and design exceeds \$300,000, the Secretary shall notify the appropriate committees of Congress in writing of the details of such project at least 30 days before any funds are obligated for design services for such project.

(b) **SPECIFIC AUTHORITY REQUIRED.**—In any case in which the total estimated cost for advance planning and construction design in connection with any construction project exceeds \$2,000,000, funds for such design must be specifically authorized by law.

SEC. 1526. AUTHORITY FOR EMERGENCY CONSTRUCTION DESIGN

In addition to the advance planning and construction design authorized by section 1512, the Secretary may perform planning and design utilizing available funds for any Department of Energy defense activity construction project whenever the Secretary determines that the design must proceed expeditiously in order to meet the needs of national defense or to protect property or human life.

Ante, p. 767.

SEC. 1527. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY

Subject to the provisions of appropriation Acts, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 1528. ADJUSTMENTS FOR PAY INCREASES

Appropriations authorized by this title for salary, pay, retirement, or other benefits for Federal employees may be increased by such amounts as may be necessary for increases in such benefits authorized by law.

SEC. 1529. AVAILABILITY OF FUNDS

When so specified in an appropriation Act, amounts appropriated for "Operating Expenses" or for "Plant and Capital Equipment" may remain available until expended.

PART C—PROGRAM REVISIONS AND MISCELLANEOUS PROVISIONS

SEC. 1531. GENERAL REDUCTION

The total amount that may be appropriated pursuant to the authorizations in this title is the amount equal to the sum of the amounts authorized in this title reduced by \$32,280,000. Of such reduction—

- (1) \$10,000,000 shall be derived from funds for acquisition of automated data processing and computer equipment;
- (2) \$14,000,000 shall be derived from savings from management initiatives; and
- (3) \$8,280,000 shall be derived from proposed rescission R85-80.

SEC. 1532. COMMUNITY ASSISTANCE PAYMENTS

(a) **FINAL SETTLEMENT.**—Subject to the provisions of appropriation Acts, the Secretary of Energy is authorized to obligate during fiscal

Contract.
Tennessee.
42 USC 2391
note.

year 1986 not more than \$41,133,000 from funds available to the Department of Energy for the purpose of carrying out a contract with Anderson County and Roane County, Tennessee, and the City of Oak Ridge, Tennessee, that would provide a final financial settlement with those entities and terminate all annual assistance payments made to those entities pursuant to section 91 of the Atomic Energy Community Act of 1955 (42 U.S.C. 2391), and for advance payment of payments in lieu of property taxes for the fiscal years 1986 through 1996 authorized by section 168 of the Atomic Energy Act of 1954 (42 U.S.C. 2208).

(b) REPORT TO CONGRESS.—Not later than February 1, 1986, the Secretary of Energy shall submit to the appropriate committees of Congress a report and the Secretary's recommendations concerning any need for any further financial assistance payments to local governmental entities pursuant to the Atomic Energy Community Act of 1955. In making such recommendations, the Secretary shall consider—

- 42 USC 2121. (1) the criteria established by section 91 of the Atomic Energy Act of 1954;
- (2) changes in the financial circumstances of State and local governmental entities since 1955;
- (3) other forms of Federal assistance to State and local governmental entities provided since 1955; and
- (4) the deficit of the Federal budget.

Contract. (c) LIMITATION.—No funds may be obligated for the purposes set forth in subsection (a) until—

- (1) the Secretary has submitted to the appropriate committees of Congress a copy of an executed contract that complies with the requirements of that subsection; and
- (2) a period of 30 calendar days (not including any day on which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after receipt of such contract.

SEC. 1533. IMPROVEMENTS TO DEPARTMENT OF ENERGY BUILDING AT OAK RIDGE, TENNESSEE

Research and development.

Subject to the provisions of appropriations Acts, the Secretary of Energy is authorized to obligate not more than \$5,000,000 during fiscal year 1986 from funds available to the Department of Energy to renovate a building owned by the Department of Energy at Oak Ridge, Tennessee, if the Secretary determines that the Department's research and development requirements of the Strategic Defense Initiatives program require such renovations.

42 USC 7256a.

SEC. 1534. COSTS NOT ALLOWED UNDER COVERED CONTRACTS

(a) IN GENERAL.—The following costs are not allowable under a covered contract:

- (1) Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities).
- (2) Costs incurred to influence (directly or indirectly) legislative action on any matter pending before Congress or a State legislature.
- (3) Costs incurred in defense of any civil or criminal fraud proceeding or similar proceeding (including filing of any false certification) brought by the United States where the contractor

is found liable or has pleaded *nolo contendere* to a charge of fraud or similar proceeding (including filing of false certification).

(4) Payments of fines and penalties resulting from violations of, or failure to comply with, Federal, State, local, or foreign laws and regulations, except when incurred as a result of compliance with specific terms and conditions of the contract or specific written instructions from the contracting officer authorizing in advance such payments in accordance with applicable regulations of the Secretary of Energy.

(5) Costs of membership in any social, dining, or country club or organization.

(6) Costs of alcoholic beverages.

(7) Contributions or donations, regardless of the recipient.

(8) Costs of advertising designed to promote the contractor or its products.

(9) Costs of promotional items and memorabilia, including models, gifts, and souvenirs.

(10) Costs for travel by commercial aircraft or by travel by other than common carrier that is not necessary for the performance of the contract and the cost of which exceeds the amount of the standard commercial fare.

(b) **REGULATIONS.**—Not later than 150 days after the date of the enactment of this Act, the Secretary of Energy shall prescribe regulations to implement this section. Such regulations may establish appropriate definitions, exclusions, limitations, and qualifications. Such regulations shall be published in accordance with section 22 of the Office of Federal Procurement Policy Act (41 U.S.C. 418b).

98 Stat. 3076.

(c) **DEFINITION.**—In this section, “covered contract” means a contract for an amount more than \$100,000 entered into by the Secretary of Energy obligating funds appropriated for national security programs of the Department of Energy.

(d) **EFFECTIVE DATE.**—Subsection (a) shall apply with respect to costs incurred under a covered contract on or after 30 days after the regulations required by subsection (b) are issued.

SEC. 1535. TECHNICAL AMENDMENTS

(a) **IN GENERAL.**—Sections 1623(a) and 1626 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1985 (title XVI of Public Law 98-525) are amended by striking out “section 302” and inserting in lieu thereof “section 1602”.

98 Stat. 2645,
2646.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall be considered to have been made on the date of the enactment of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1985.

TITLE XVI—OTHER GENERAL PROVISIONS

PART A—CIVIL DEFENSE

SEC. 1601. AUTHORIZATION OF APPROPRIATIONS

There is hereby authorized to be appropriated for fiscal year 1986 to carry out provisions of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251 et seq.) the sum of \$130,000,000.

PART B—NATIONAL DEFENSE STOCKPILE

SEC. 1611. FUNDING FOR NATIONAL DEFENSE STOCKPILE

50 USC 98h
note.

(a) **ONE-YEAR EXTENSION OF FUNDING FOR STOCKPILE TRANSACTION FUND FROM NAVAL PETROLEUM RESERVE RECEIPTS.**—Section 905 of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2574), is amended by striking out “during fiscal year 1985” and inserting in lieu thereof “during fiscal years 1985 and 1986”.

50 USC 98d note.

(b) **CONFORMING AMENDMENT.**—Section 903(b) of such Act (98 Stat. 2573) is amended by striking out “October 1, 1986” and inserting in lieu thereof “October 1, 1987”.

SEC. 1612. PROHIBITION OF REDUCTIONS IN STOCKPILE GOALS

50 USC 98d note.

(a) **FREEZE ON GOALS.**—(1) No action may be taken before October 1, 1986, to implement or administer any change in a stockpile goal in effect on October 1, 1984, that results in a reduction in the quality or quantity of any strategic and critical material to be acquired for the National Defense Stockpile.

(b) **DEFINITION.**—For purposes of subsection (a), the term “stockpile goal” means a determination made by the President under section 3(a) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b) with respect to the National Defense Stockpile.

SEC. 1613. STUDY OF LOSS OF PRODUCTION CAPACITY OF CRITICAL FERROALLOY PRODUCTS

(a) **REQUIREMENT FOR STUDY.**—Recognizing the vital role that ferroalloy products have in industries crucial to the national defense, the Secretary of Defense shall conduct a study to determine what effect the loss of all capacity by the United States to produce domestic ferroalloys would have on the defense industrial base and on industrial preparedness of the United States.

(b) **SPECIFIC REQUIREMENTS.**—Such study shall include an evaluation of the effect that the loss of production capacity by the United States for ferrochrome, ferromanganese, ferrosilicon (all grades), silicon manganese, chromium metal, and other militarily critical ferroalloy products would have on the industrial base and on industrial preparedness of the United States.

(c) **CONSULTATION.**—The Secretary shall conduct such study through the Undersecretary of Defense for Policy in consultation with the Director of the Federal Emergency Management Agency and the Secretary of the Interior.

(d) **SUBMISSION OF REPORT.**—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report containing the results of the study conducted under subsection (a). Such report shall, to the extent practicable, be unclassified.

PART C—OTHER PROVISIONS

SEC. 1621. SENSE OF THE CONGRESS EXPRESSING SUPPORT FOR THE SELECTIVE SERVICE REGISTRATION PROGRAM

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

50 USC app. 451.

(1) The program of peacetime registration of young men under the Military Selective Service Act contributes to the national security by reducing the time required for full defense mobilization.

(2) The Selective Service registration program is an important signal to our allies and to our potential adversaries of the United States defense commitment.

(3) Since the resumption of selective service registration, more than 13,500,000 young men have registered with Selective Service.

(b) **SENSE OF CONGRESS.**—In view of these findings, it is the sense of Congress that the President should recognize, by Presidential proclamation, the contribution of our young men to the success of the peacetime registration program.

SEC. 1622. PROHIBITION ON CIVIL SERVICE EMPLOYMENT OF PERSONS WHO FAIL TO REGISTER UNDER THE MILITARY SELECTIVE SERVICE ACT

(a) **IN GENERAL.**—(1) Subchapter I of chapter 33 of title 5, United States Code, is amended by adding at the end thereof the following new section:

“§ 3328. Selective Service registration

5 USC 3328.

“(a) An individual—

“(1) who was born after December 31, 1959, and is or was required to register under section 3 of the Military Selective Service Act (50 U.S.C. App. 453); and

“(2) who is not so registered or knowingly and willfully did not so register before the requirement terminated or became inapplicable to the individual,

shall be ineligible for appointment to a position in an Executive agency.

“(b) The Office of Personnel Management, in consultation with the Director of the Selective Service System, shall prescribe regulations to carry out this section. Such regulations shall include provisions prescribing procedures for the adjudication within the Office of determinations of whether a failure to register was knowing and willful. Such procedures shall require that such a determination may not be made if the individual concerned shows by a preponderance of the evidence that the failure to register was neither knowing nor willful.”.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3327 the following new item:

“3328. Selective Service registration.”.

(b) **REPORT.**—(1) The Office of Personnel Management shall submit to Congress a report—

(A) as to whether it is practicable to apply section 3328 of title 5, United States Code (as added by subsection (a)), to persons born before January 1, 1960; and

(B) on the relative costs and benefits of corroborating registration of individuals under the Military Selective Service Act for the purposes of that section on a spot-check basis or on an individual basis.

Supra.

50 USC app. 451.

(2) The report shall be submitted not later than February 1, 1986.

SEC. 1623. AUTHORITY TO PROVIDE COAST GUARD COMMANDANT RESIDENCE-TO-WORK TRANSPORTATION PROVIDED OTHER SERVICE CHIEFS

Effective on October 1, 1985, section 660 of title 14, United States Code, is amended by adding at the end thereof the following new subsection:

“(e) Passenger motor vehicles of the United States may be used to provide transportation between the residence and place of work of the Commandant.”

SEC. 1624. ACCEPTANCE OF CERTAIN VOLUNTEER SERVICES

(a) **EXTENSION OF AUTHORITY TO COAST GUARD.**—Section 1588(a) of title 10, United States Code, is amended—

(1) by striking out “Secretary of a military department” and inserting in lieu thereof “Secretary concerned”; and

(2) by striking out “operated by that military department” and inserting in lieu thereof “operated by the military department concerned or the Coast Guard, as appropriate”.

10 USC 1588
note.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on October 1, 1985.

24 USC 43 note.

SEC. 1625. AUTHORITY TO EXEMPT CERTAIN PHYSICIANS AT SOLDIERS' AND AIRMEN'S HOME FROM REDUCTIONS IN RETIRED PAY

(a) **IN GENERAL.**—The Governor of the United States Soldiers' and Airmen's Home may exempt, at any time, not more than two physicians employed by the Home from the restrictions in subsections (a), (b), and (c) of section 5532 of title 5, United States Code, if the Governor determines that such exemptions are necessary to recruit or retain well-qualified physicians for the Home. An exemption granted under this section shall terminate upon any break in employment with the Home by a physician of three days or more.

(b) **APPLICABILITY.**—An exemption granted to a person under subsection (a) shall apply to the retired pay of that person beginning with the first month after the month in which the exemption is granted.

SEC. 1626. MANAGEMENT OF MILITARY RECORDS MAINTAINED BY THE NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

(a) **FINDINGS.**—The Congress finds that—

(1) the National Archives and Records Administration has received a substantial number of military records; and

(2) by reason of the manner in which such records are maintained, many of such records are not readily accessible to the public.

(b) **REPORT.**—(1) Not later than March 31, 1986, the Archivist of the United States shall submit to Congress a report outlining a plan—

(A) for improving the management, maintenance, storage, and preservation of military records; and

(B) for improving public access to such records.

(2) In preparing the report, the Archivist shall consider recommendations received from—

(A) officials of the military departments responsible for the maintenance and storage of military records; and

(B) interested public groups.

SEC. 1627. ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM

(a) **DESIGNATION OF PROGRAM.**—Section 419A of the Higher Education Act of 1965 is amended by striking out “Federal Merit Scholarship Program” and inserting in lieu thereof “Robert C. Byrd Honors Scholarship Program”. 20 USC
1070d-31.
Ante, p. 2900.

(b) **DESIGNATION OF BYRD SCHOLARS.**—Section 419C of such Act is amended by adding at the end thereof the following new subsection: *Ante*, p. 2900.
20 USC
1070d-33.
“(d) Individuals awarded scholarships under this subpart shall be known as ‘Byrd Scholars.’”.

(c) **CONFORMING AMENDMENTS.**—Section 419E(3) of such Act is amended— *Ante*, p. 2901.
20 USC
1070d-35.

(1) by striking out “Federal”; and

(2) by inserting “under this subpart” after “scholarships”.

(d) **CLERICAL AMENDMENT.**—The heading of subpart 6 of part A of title IV of such Act is amended to read as follows: *Ante*, p. 2900.

“Subpart 6—Robert C. Byrd Honors Scholarship Program”.

SEC. 1628. POSTAGE STAMP COMMEMORATING THE 350TH ANNIVERSARY OF THE ESTABLISHMENT OF THE UNITED STATES NATIONAL GUARD

It is the sense of the Senate that the United States Postal Service should issue a postage stamp during 1986 commemorating the 350th anniversary of the establishment of the United States National Guard.

Approved November 8, 1985.

LEGISLATIVE HISTORY—S. 1160 (H.R. 1872) (H.R. 3606):

HOUSE REPORTS: No. 99-81 accompanying H.R. 1872 (Comm. on Armed Services) and No. 99-235 (Comm. of Conference).

SENATE REPORT No. 99-118 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 131 (1985):

May 15, June 18-21, 25-27, H.R. 1872 considered and passed House.

May 17, 20-23, June 3-5, S. 1160 considered and passed Senate.

June 27, S. 1160 considered and passed House, amended, in lieu of H.R. 1872.

July 30, Senate agreed to conference report.

Oct. 29, House agreed to conference report.