

memorative programs and activities of the federal government, state and local governments, and other persons and organizations that support the commemorative objectives specified in the section. This section would also authorize the program to continue through 2025, with the Secretary determining the schedule of events and priority of efforts during the duration of the program.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

OVERVIEW

The committee continues to believe that successful recruiting and retention in a wartime environment directly depends on the close oversight of compensation and benefit programs to ensure that they remain robust, flexible, and effective. Accordingly, the committee recommends an across-the-board pay raise of 3.5 percent, one-half of one percent above pay raise levels in the private sector as measured by the Employment Cost Index (ECI). This would be the 9th consecutive year that the pay raise would exceed the ECI level and would result in an average cumulative pay increase of 46 percent over the last 9 years.

The committee also recognizes that some previously adopted compensation policies, bonuses, and special pays require modification to ensure they remain current and effective and the committee recommends a number of such adjustments. The committee also supports the proposal of the Department of Defense's Tenth Quadrennial Review of Military Compensation to consolidate and simplify the system of special and incentive pays. The committee recommends reform of those pays to make them more understandable and easier to administer.

The committee believes that more needs to be done to protect the annuities of surviving military spouses and increase retirement compensation for service members who have been retired with disabilities. The committee recommends a monthly survivor indemnity allowance of up to \$40 to partially offset the reduction in the Survivor Benefit Program annuities resulting from concurrent eligibility for Dependency and Indemnity Compensation paid by the Department of Veterans Affairs. Additionally, the committee recommends that retired service members with combat related disabilities be paid an annuity under the combat related special compensation program so long as they have at least 15 years of service.

The committee remains committed to protecting and enhancing military exchange, commissary, and morale, welfare, and recreation programs. Accordingly, the committee has included direction to examine methods for making military resale stores and morale, welfare, and recreation activities more efficient and effective programs.

ITEMS OF SPECIAL INTEREST

Base Access for Vendors Serving Military Resale Activities

The committee is disappointed that base access procedures for employees of vendors servicing military resale activities remain cumbersome and costly. The committee believes that establishing a standardized identification card that would facilitate base access on

a regional basis can improve these procedures. Specifically, the committee believes that the common access card (CAC) currently employed by the Department of Defense as a universal identification card could be used to afford vendors a simple and cost effective method for their employees to gain access to installations. Therefore, the committee directs the Secretary of Defense to review the procedures for authorizing CACs to determine if vendor employees could be accommodated within the current system and develop recommendations for implementing such an accommodation.

The committee directs the Secretary to submit to the Senate Committee on Armed Services and the House Committee on Armed Services a report, by March 31, 2008, on his findings and recommendations.

Combined Commissary and Exchange Store

The committee understands that there is a continuing effort to develop a new model for combining commissary and exchange operations into one facility. The committee believes that the development of a combined store model acceptable to both commissary and exchange managers is an urgent matter requiring immediate attention. The refined combined store model is needed to assist the Department of Defense and Congress in determining the residual structure for military resale services at base closure sites. The combined model may also present a new, more efficient and effective option for military resale operations in the future. Therefore, the committee directs the Secretary of Defense to review the current status of negotiations for a new, combined store model and develop recommendations for implementing a new, combined store model.

The committee directs the Secretary to submit to the Senate Committee on Armed Services and the House Committee on Armed Services a report, by March 31, 2008, on his findings and recommendations.

Military Resale and Morale, Welfare, and Recreation Activities at Joint Bases

The committee is concerned that the process for determining which military resale and morale, welfare, and recreation (MWR) activities will be retained at newly formed joint bases is not fully developed and will yield inconsistent and unfair results. The committee believes that there are potential risks to exchange profits and MWR employee job security that have not been addressed. Therefore, the committee directs the Secretary of Defense to review both the process that will be used to determine the residual structure for military resale and MWR activities at joint bases and the nonappropriated fund personnel management policies that will be employed in the process and confirm the process is effective and fair.

The committee directs the Secretary to submit to the Senate Committee on Armed Services and the House Committee on Armed Services a report, by March 31, 2008, on his findings.

Payment of Imminent Danger Pay to Members Who Serve in Combat Zones for Short Periods

The committee is concerned that members are traveling for short periods to the combat zones associated with Operation Enduring Freedom and Operations Iraqi Freedom and qualifying for imminent danger pay for the entire month. The committee believes that this practice should be curtailed and the entitlement to imminent danger pay be restructured to provide for payment on a day-by-day basis or after a minimum period of service at an authorized location. Accordingly, the committee directs the Secretary of Defense to review current imminent danger pay policies and recommend legislation for the payment of imminent danger pay that would be proportionate to time served at authorized locations.

The committee directs the Secretary to submit to the Senate Committee on Armed Services and the House Committee on Armed Services a report, by March 31, 2008, the Department of Defense's findings and recommendations.

Treatment of Retired Pay for General and Flag Officers Who Subsequently Return to Service on Active Duty in the Reserve Component

The committee has become aware that there may be a number of general and flag officers, as well as other officer and enlisted personnel, who retire from active duty service or are in a retired reserve status and subsequently return to an active status in a reserve component. The National Defense Authorization Act for Fiscal Year 2000, Public Law 106-398, amended title 10, United States Code, to add section 12741, which authorizes such members to elect a reserve retirement upon reaching age 60. This provision allows a member to have his or her retired pay recalculated to include the additional reserve service performed and, if the member was subsequently promoted, to retire in the higher grade. However, there are concerns that such members should be allowed to be transferred back to the retired status at the highest grade held and that such additional service be immediately included in a recomputation of their retired pay upon their return to retirement status. The committee directs the Secretary of Defense to conduct a study on the treatment of general and flag officers, and other service members who are similarly affected, who return from retirement to serve their country.

The report should include at a minimum:

- (1) The number of individuals who return from retirement to continue their service in an active status in a reserve component;
- (2) Whether a member transferred to an active status should be allowed to have their retired pay recomputed upon their return to a retired status with such computation based on the highest grade held;
- (3) The potential cost for a proposed change;
- (4) Other policy implications that may result from the change in the treatment of such individuals; and
- (5) The implications for other members who return from retired status to serve on active duty.

The Secretary of Defense shall submit the results of his review to the congressional defense committees by March 31, 2008.

LEGISLATIVE PROVISIONS

SUBTITLE A—PAY AND ALLOWANCES

Section 601—Fiscal Year 2008 Increase in Military Basic Pay

This section would increase basic pay for members of the uniform services by 3.5 percent effective January 1, 2008. This raise would continue to fulfill Congress's commitment to keeping pay raises for the uniformed services ahead of private sector pay raises. Accordingly, the gap between pay increases for the uniformed services and private sector employees during fiscal year 2008 would be reduced from 3.9 percent to approximately 3.4 percent. This section would also provide that additional costs incurred by authorizing a pay raise that is one-half of one percent above the raise included in the budget request will be addressed in the authorization of appropriations that would be provided in title XV of this Act.

Section 602—Basic Allowance for Housing for Reserve Component Members Without Dependents Who Attend Accession Training While Maintaining a Primary Residence

This section would authorize single reserve component members without dependents to receive basic allowance for housing while attending initial training following accession, so long as the member maintains a permanent residence.

Section 603—Income Replacement Payments for Reserve Component Members Experiencing Extended and Frequent Mobilization for Active Duty Service

This section would clarify the eligibility criteria for income replacement payments to reservists experiencing extended or frequent mobilization for active duty service including payments to members who are retained on active duty for authorized medical care or for medical evaluation for disability. This section would also clarify the cumulative periods of qualifying service by calculating those periods using days in lieu of months.

Section 604—Participation of Members of the Uniformed Services in Thrift Savings Plan

This section would authorize pay authorities to make mid-month contributions to the Thrift Savings Plan on behalf of members of the uniformed services.

Section 605—Enhancement of Referral Bonus To Encourage Service in the Army

This section would authorize an Army referral bonus to be paid to the member or employee who refers an officer candidate who is later appointed as an officer in a health profession designated by the Secretary of the Army.

Section 606—Guaranteed Pay Increase for Members of the Armed Forces of One-Half of One Percentage Point Higher Than Employment Cost Index

This section would mandate that pay raises for members of all components of the Army, Navy, Air Force, and Marine Corps during fiscal years 2009 through 2012 must be one-half of one percent higher than the raise calculated under section 1009 of title 37, United States Code, using the level of pay increases in the private sector as measured using the Employment Cost Index.

SUBTITLE B—BONUSES AND SPECIAL AND INCENTIVE PAYS

Section 611—Extension of Certain Bonus and Special Pay Authorities for Reserve Forces

This section would extend the authority for the Selected Reserve reenlistment bonus, the Selected Reserve affiliation or enlistment bonus, special pay for enlisted members assigned to certain high priority units, the Ready Reserve enlistment bonus for persons without prior service, the Ready Reserve enlistment and reenlistment bonus for persons with prior service, and the Selected Reserve enlistment bonus for persons with prior service until December 31, 2009.

Section 612—Extension of Certain Bonus and Special Pay Authorities for Health Care Professionals

This section would extend the authority for the nurse officer candidate accession program, the accession bonus for registered nurses, the incentive special pay for nurse anesthetists, the special pay for Selected Reserve health care professionals in critically short wartime specialties, the accession bonus for dental officers, the accession bonus for pharmacy officers, the accession bonus for medical officers in critically short wartime specialties, and the accession bonus for dental specialist officers in critically short wartime specialties until December 31, 2009. This section would also extend the authority for repayment of educational loans for certain health professionals who serve in the Selected Reserve until January 1, 2010.

Section 613—Extension of Special Pay and Bonus Authorities for Nuclear Officers

This section would extend the authority for the special pay for nuclear-qualified officers extending a period of active service, nuclear career accession bonus, and the nuclear career annual incentive bonus until December 31, 2009.

Section 614—Extension of Authorities Relating to Payment of Other Bonuses and Special Pays

This section would extend the authority for the aviation officer retention bonus, assignment incentive pay, the reenlistment bonus for active members, the enlistment bonus for active members, the retention bonus for members with critical military skills or assigned to high priority units, the accession bonus for new officers in critical skills, the incentive bonus for conversion to shortage

military occupational specialties, the incentive bonus to transfer between armed forces, the accession bonus for officer candidates, and the Army referral bonus until December 31, 2008, except for the incentive bonus to transfer between armed forces, which is extended until December 31, 2010.

Section 615—Increase in Incentive Special Pay and Multiyear Retention Bonus for Medical Officers

This section would increase the maximum annual amounts that may be paid to medical officers for incentive special pay from \$50,000 to \$75,000 and the multiyear retention bonus from \$50,000 to \$75,000.

Section 616—Increase in Dental Officer Additional Special Pay

This section would increase the maximum annual amounts of additional special pay that may be paid to dental officers with less than three years of service from \$4,000 to \$10,000 and to dental officers with more than three years of service, but less than 10 years of service, from \$6,000 to \$12,000.

Section 617—Definition of Sea Duty for Career Sea Pay to Include Multi-Crew Ships

This section would clarify that members who are assigned to a crew for a multi-crewed class of vessels are entitled to continuous payment of career sea pay.

Section 618—Reenlistment Bonus for Members of the Selected Reserve

This section would clarify that reenlistment bonuses may be paid for a minimum period of three years of obligated service and that \$15,000 is the maximum bonus that may be paid for any reenlistment.

Section 619—Availability of Selected Reserve Accession Bonus for Persons Who Previously Served in the Armed Forces for a Short Period

This section would authorize payment of a Selected Reserve enlistment bonus to persons who had enlisted previously, but were unable to complete basic training requirements due to circumstances beyond their control and were separated under honorable conditions.

Section 620—Availability of Nuclear Officer Continuation Pay for Officers with More Than 26 Years of Commissioned Service

This section would extend the eligibility for the nuclear officer continuation pay from 26 to 30 years of commissioned service.

Section 621—Waiver of Years-of-Service Limitation on Receipt of Critical Skills Retention Bonus

This section would authorize the Secretary of Defense, or the Secretary of Homeland Security, with respect to the Coast Guard when it is not operating as a service in the Navy, to waive the

maximum years of service eligibility requirement for a critical skill retention bonus and pay bonuses to members with more than 25 years of service.

Section 622—Accession Bonus for Participants in the Armed Forces Health Professional Scholarship and Financial Assistance Program

This section would authorize an accession bonus of not more than \$20,000 to be paid to participants in the Armed Forces Health Professional Scholarship and Financial Assistance Program.

Section 623—Payment of Assignment Incentive Pay for Reserve Members Serving in Combat Zone for More than 22 Months

This section would authorize the secretaries of the military departments to pay \$1,000 each month in assignment incentive pay to reserve members serving in combat zones associated with Operation Enduring Freedom and Operation Iraqi Freedom once the member exceeds 22 cumulative months of service on active duty under either a voluntary mobilization authority, the presidential Selected Reserve callup authority, or the partial mobilization authority. The payments would be authorized during the period extending from January 1, 2005, through the end of the member's service in the combat zone when the member's most recent mobilization to active duty began prior to January 19, 2007. Service under the appropriate authorities would qualify the member for the pay if performed during the period extending from January 1, 2003, through the end of the member's active duty service during the member's most recent mobilization to active duty that began prior to January 19, 2007.

The committee is aware that assignment incentive pay is being paid or has been paid to reserve component members who agreed to deploy with their units to Operation Iraqi Freedom or Operation Enduring Freedom notwithstanding that they would exceed the maximum of 24 months of mobilized service established in Department of Defense policy at the time. The committee is also aware that in the case of the Army, there are soldiers in the same units who would also exceed the 24 month maximum that were not offered the assignment incentive pay solely because the previous mobilization was under a different authority. The committee believes that all these soldiers made an important commitment to the nation that resulted in their units being more cohesive and combat ready because of their presence and that it is a fundamental injustice to reward one group and not the other.

The committee directs the secretaries of the military departments to examine this issue and, if appropriate, disseminate information to the units where members have demonstrated their willingness to deploy to a combat zone during the eligibility period and serve beyond 24 months during the qualification period. The committee strongly encourages the secretaries of the military departments to seek applications from members who believe they would be eligible for the assignment incentive pay and are equally deserving of the pay as those members in their units who are receiving or have received the pay.

Section 624—Increase in Maximum Monthly Rate of Hardship
Duty Pay

This section would increase the maximum amount of hardship duty pay that may be paid each month from \$750 to \$1,500.

SUBTITLE C—TRAVEL AND TRANSPORTATION ALLOWANCES

Section 631—Allowance for Participation in Reserve Screening
Conducted through Electronic Means

This section would authorize the secretary concerned to provide a \$50 stipend to reserve component members when the member participates in an electronic screening to verify contact information and determine individual readiness.

Section 632—Allowance for Civilian Clothing for Members of the
Armed Forces Traveling in Connection with Medical Evacuation

This section would authorize members to purchase luggage in addition to clothing at government expense when traveling in connection with medical evacuation.

Section 633—Moving Expenses for JROTC Instructors Who Agree
to Serve in Hard-to-Fill Positions

This section would authorize the secretary concerned to reimburse educational institutions for moving expenses paid to Junior Reserve Officer Training Corps instructors when the secretary determines the position is hard-to-fill and the instructor agrees to serve in the position for two years.

Section 634—Transportation of Additional Motor Vehicle of Mem-
bers on Change of Permanent Station to or From Nonforeign
Areas Outside the Continental United States

This section would authorize members with at least one family member eligible to drive to ship two privately owned vehicles during permanent change of station moves to nonforeign duty locations located outside the continental United States. Nonforeign duty locations outside the continental United States include Alaska, Hawaii, Puerto Rico, Guam, and other territories and possessions.

Section 635—Payment of Inactive Duty Training Travel Costs for
Certain Selected Reserve Members

This section would authorize the secretary of a military service to reimburse members of the Selected Reserve serving in specialties designated by the Secretary for travel expenses when that travel while performing inactive duty training or unit training assembly duty is outside the commuting limits of the member's station and the training is necessary to maintain mission readiness. This section would also specify that the amount that may be reimbursed for such training may not exceed \$300. This section would be effective October 1, 2008, and terminate December 31, 2014.

SUBTITLE D—RETIRED PAY AND SURVIVOR BENEFITS

Section 641—Disregarding Periods of Confinement of Member in Determining Benefits for Dependents Who are Victims of Abuse by the Member

This section would allow periods of confinement prior to convening authority action to be considered in determining certain benefits for dependents who are victims of abuse by the service member.

Section 642—Continuation of Authority for Members of the Armed Forces to Designate a Recipient for a Portion of the Death Gratuity

This section would extend the authority for members to designate a person to receive up to 50 percent of the death gratuity in 10 percent increments. The authority was established in the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 with an expiration date of September 30, 2007.

Section 643—Recoupment of Annuity Amounts Previously Paid, but Subject to Offset for Dependency and Indemnity Compensation

This section would specify a series of actions to protect the interests of surviving spouses who are subjected to recoupment of overpayments under the Survivor Benefit Plan resulting from the mandatory offsets associated with payments of Dependency Indemnity Compensation by the Department of Veterans Affairs. These actions include:

- (1) A single notice of the net amount to be recouped;
- (2) A written explanation of the statutory requirements for recoupment;
- (3) A detailed accounting of the calculations used to determine the amount to be recouped; and
- (4) Contact information for a person who can provide information and respond to questions regarding the recoupment action.

Section 644—Special Survivor Indemnity Allowance for Persons Affected by Required Survivor Benefit Plan Annuity Offset for Dependency and Indemnity Compensation

This section would authorize a survivor indemnity allowance to surviving spouses who are denied the full amount of their annuity under the Survivor Benefit Plan (SBP) because of the offset required as a result of concurrent receipt of Dependency and Indemnity Compensation (DIC) from the Department of Veterans Affairs. This section would authorize such surviving spouses to receive a monthly payment equal to \$40 or the amount of the SBP annuity subject to the DIC offset should it be a lesser amount. The authority provided under this section would be effective on October 1, 2008, and would expire on March 1, 2016.

Section 645—Expansion of Combat-Related Special Compensation Eligibility for Chapter 61 Military Retirees with Fewer than 20 Years of Creditable Service

This section would authorize disabled military retirees with fewer than 20 years of service to receive payments under the combat-related special compensation program so long as they possess a minimum of 15 years of creditable service and the level of their disability is rated at least 60 percent disabling. This section would also require that the amount of military retired pay received by the member would be reduced by the amount that the member's disability retired pay exceeds the amount of retired pay due to the member based on years of service alone. The authority under this section would be effective on October 1, 2008, and would expire on October 1, 2015.

SUBTITLE E—COMMISSARY AND NONAPPROPRIATED FUND INSTRUMENTALITY BENEFITS

Section 651—Access to Defense Commissary and Exchange System by Surviving Spouse and Dependents of Certain Disabled Veterans

This section would require the Secretary of Defense to revise Department of Defense regulations to provide for access to military commissary and exchange stores for surviving spouses and dependents of veterans who were posthumously determined to possess service-connected disabilities rated as 100 percent or total.

Section 652—Authority to Continue Commissary and Exchange Benefits for Certain Involuntarily Separated Members of the Armed Forces

This section would authorize members involuntarily separated from active duty or the Selected Reserve to continue to use commissary and exchange stores for two years after separation. This would expire on December 31, 2012.

Section 653—Authorization of Installment Deductions from Pay of Employees of Executive Branch Instrumentalities to Collect Indebtedness to the United States

This section would clarify that executive branch instrumentalities have the same access to procedures for collection of debts from federal civilian employees as do judicial and legislative branch instrumentalities.

SUBTITLE F—CONSOLIDATION OF SPECIAL PAY, INCENTIVE PAY, AND BONUS AUTHORITIES

Section 661—Consolidation of Special Pay, Incentive Pay, and Bonus Authorities of the Uniformed Services

This section would reform and consolidate over 60 special and incentive pays into the following eight categories:

- (1) Bonuses for enlisted members;
- (2) Bonuses for officers;
- (3) Bonuses and incentive pays for nuclear officers;
- (4) Bonuses and incentive pays for aviation officers;

- (5) Bonuses and incentive pays for officers in health professions;
- (6) Hazardous duty pays;
- (7) Assignment pays and special duty pays; and
- (8) Skill incentive pays and proficiency bonuses.

This section would also retain separate authorities for 15-year career status bonuses, critical skill retention bonuses, and the continuation of combat zone related pays and allowances for members hospitalized as a result combat-related wounds, injuries, or illnesses. The committee believes that reform and consolidation of special and incentive pays will result in a pay system that is easier to understand and less expensive to administer.

Section 662—Transitional Provisions

This section would require the Secretary of Defense to develop, in coordination with the Secretary of Homeland Security, the Secretary of Health and Human Services, and the Secretary of Commerce, a plan to implement the consolidation of special pays, incentive pays, and bonus authorities specified in section 661 of this Act and to submit the plan to the congressional defense committees within one year of the date of enactment of this Act. This section would also provide for an orderly transfer to the new authorities that would be implemented on a pace set by the Secretary of Defense with full implementation required within 10 years after the date of enactment of this Act.

SUBTITLE G—OTHER MATTERS

Section 671—Expansion of Education Loan Repayment Program for Members of the Selected Reserve

This section would expand the types of educational loans that may be repaid under the Selected Reserve loan repayment program and would make both officers and enlisted members eligible for loan repayment.

Section 672—Ensuring Entry into United States after Time Abroad for Permanent Resident Alien Military Spouses and Children

This section would allow the spouse and children of members of the armed forces stationed abroad, who are Lawful Permanent Residents, readmission without having abandoned status through long absence from the United States.

Section 673—Overseas Naturalization for Military Spouses and Children

This section would provide naturalization eligibility to accompanying Lawful Permanent Resident spouses and children of members of armed forces stationed abroad by treating their period of residence abroad as residence within the United States.