

SEC. 607. EQUITABLE TREATMENT OF JUNIOR ENLISTED MEMBERS IN COMPUTATION OF BASIC ALLOWANCE FOR HOUSING.

(a) DETERMINATION OF COSTS OF ADEQUATE HOUSING- Paragraph (2) of subsection (b) of section 403 of title 37, United States Code, as redesignated by section 605(a)(2), is amended by adding at the end the following new sentence: `After June 30, 2001, the Secretary may not differentiate between members with dependents in pay grades E-1 through E-4 in determining what constitutes adequate housing for members.'.

(b) SINGLE RATE; MINIMUM- Subsection (b) of such section, as amended by section 605(b)(1), is amended by inserting after paragraph (4) the following new paragraph:

`(5) On and after July 1, 2001, the Secretary of Defense shall establish a single monthly rate for members of the uniformed services with dependents in pay grades E-1 through E-4 in the same military housing area. The rate shall be consistent with the rates paid to members in pay grades other than pay grades E-1 through E-4 and shall be based on the following:

`(A) The average cost of a two-bedroom apartment in that military housing area.

`(B) One-half of the difference between the average cost of a two-bedroom townhouse in that area and the amount determined in subparagraph (A).'