

Union Calendar No. 319

105TH CONGRESS
2^D SESSION

H. R. 1778

[Report No. 105-133, Part I]

A BILL

To reform the Department of Defense.

JUNE 4, 1998

Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

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[Report No. 105–133, Part I]

To reform the Department of Defense.

IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 1997

Mr. SPENCE (for himself and Mr. DELLUMS (by request)) introduced the following bill; which was referred to the Committee on National Security, and in addition to the Committees on Commerce, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

JUNE 17, 1997

Reported from the Committee on National Security with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

JUNE 17, 1997

Referral to the Committees on Commerce and Transportation and Infrastructure extended for a period ending not later than July 18, 1997

JUNE 17, 1997

The bill and amendment recommended by the Committee on National Security referred to the Committee on Government Reform and Oversight for a period ending not later than July 18, 1997 for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(g), rule X

JULY 18, 1997

Referral to the Committees on Commerce, Government Reform and Oversight, and Transportation and Infrastructure extended for a period ending not later than September 30, 1997

SEPTEMBER 30, 1997

Referral to the Committees on Commerce, Transportation and Infrastructure,

and Government Reform and Oversight extended for a period ending not later than March 30, 1998

MARCH 30, 1998

Referral to the Committees on Commerce, Transportation and Infrastructure, and Government Reform and Oversight extended for a period ending not later than March 31, 1998

MARCH 31, 1998

Referral to the Committees on Commerce, Transportation and Infrastructure, and Government Reform and Oversight extended for a period ending not later than April 1, 1998

APRIL 1, 1998

Referral to the Committees on Commerce, Transportation and Infrastructure, and Government Reform and Oversight extended for a period ending not later than April 30, 1998

APRIL 30, 1998

Referral to the Committees on Commerce, Transportation and Infrastructure, and Government Reform and Oversight extended for a period ending not later than June 2, 1998

JUNE 2, 1998

Referral to the Committees on Commerce, Transportation and Infrastructure, and Government Reform and Oversight extended for a period ending not later than June 3, 1998

JUNE 3, 1998

Referral to the Committees on Commerce, Transportation and Infrastructure, and Government Reform and Oversight extended for a period ending not later than June 4, 1998

JUNE 4, 1998

Committees on Commerce, Transportation and Infrastructure, and Government Reform and Oversight discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on June 4, 1997]

A BILL

To reform the Department of Defense.

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

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) *SHORT TITLE.*—*This Act may be cited as the “De-*
 3 *fense Reform Act of 1997”.*

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

Sec. 1. Short title; table of contents.

Sec. 2. Congressional defense committees defined.

TITLE I—DEFENSE PERSONNEL REFORMS

Sec. 101. Reduction in personnel assigned to management headquarters and head-
quarters support activities.

Sec. 102. Additional reduction in defense acquisition workforce.

Sec. 103. Change in required reduction in annuity for certain defense acquisition
personnel who are separated before age 55.

Sec. 104. Separation pay for defense acquisition personnel.

Sec. 105. Personnel reductions in United States Transportation Command.

TITLE II—DEFENSE BUSINESS PRACTICES REFORMS

Subtitle A—Competitive Procurement Requirements

Sec. 201. Competitive procurement of finance and accounting services.

Sec. 202. Competitive procurement of services to dispose of surplus defense prop-
erty.

Sec. 203. Competitive procurement of functions performed by Defense Information
Systems Agency.

Sec. 204. Competitive procurement of printing and duplication services.

Sec. 205. Competitive procurement of certain ophthalmic services.

Sec. 206. Increased use by Defense Agencies of contractors to perform commercial
and industrial type functions.

Subtitle B—Reform of Conversion Process

Sec. 211. Development of standard forms regarding performance work statement
and request for proposal for conversion of certain operational
functions of military installations.

Sec. 212. Study and notification requirements for conversion of commercial and
industrial type functions to contractor performance.

Sec. 213. Collection and retention of cost information data on contracted out ser-
vices and functions.

Subtitle C—Other Reforms

Sec. 221. Reduction in overhead costs of Inventory Control Points.

Sec. 222. Consolidation of procurement technical assistance and electronic com-
merce technical assistance.

Sec. 223. Permanent authority regarding conveyance of utility systems.

TITLE III—DEFENSE ENVIRONMENTAL REFORMS

Subtitle A—Superfund Reforms Generally

- Sec. 301. Revision of methods of remediation.*
Sec. 302. Requirement to consider reasonably anticipated future land use.
Sec. 303. Limitation on criminal liability of Federal officers, employees, and agents.
Sec. 304. State role at Federal facilities.

Subtitle B—Superfund and Other Environmental Law Reforms Applicable to Department of Defense or Department of Energy

- Sec. 311. Standards for remedial actions conducted at defense facilities not on the National Priorities List.*
Sec. 312. Authority of Secretary of Defense and Secretary of Energy to terminate long-term operation and maintenance of remedial actions and corrective actions.
Sec. 313. Notification to Congress of costs of Department of Energy environmental compliance agreements.
Sec. 314. Clean Air Act standards for military sources.
Sec. 315. Authority of Administrator of Environmental Protection Agency with respect to application of Solid Waste Disposal Act to military munitions.

TITLE IV—MISCELLANEOUS ADDITIONAL DEFENSE REFORMS

- Sec. 401. Long-term charter contracts for acquisition of auxiliary vessels for the Department of Defense.*
Sec. 402. Fiber-optics based telecommunications linkage of military installations.
Sec. 403. Repeal of requirement for contractor guarantees on major weapon systems.
Sec. 404. Requirements relating to micro-purchases of commercial items.
Sec. 405. Availability of simplified procedures to commercial item procurements.
Sec. 406. Termination of the Armed Services Patent Advisory Board.
Sec. 407. Coordination of Department of Defense criminal investigations and audits.
Sec. 408. Department of Defense boards, commissions, and advisory committees.

TITLE V—COMMISSION ON DEFENSE ORGANIZATION AND STREAMLINING

- Sec. 501. Establishment of Commission.*
Sec. 502. Duties of Commission.
Sec. 503. Reports.
Sec. 504. Powers.
Sec. 505. Commission procedures.
Sec. 506. Personnel matters.
Sec. 507. Miscellaneous administrative provisions.
Sec. 508. Funding.
Sec. 509. Termination of the Commission.

1 **SEC. 2. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.**

2 *For purposes of this Act, the term “congressional de-*
3 *fense committees” means—*

4 *(1) the Committee on Armed Services and the*
5 *Committee on Appropriations of the Senate; and*

6 *(2) the Committee on National Security and the*
7 *Committee on Appropriations of the House of Rep-*
8 *resentatives.*

9 **TITLE I—DEFENSE PERSONNEL**
10 **REFORMS**

11 **SEC. 101. REDUCTION IN PERSONNEL ASSIGNED TO MAN-**
12 **AGEMENT HEADQUARTERS AND HEAD-**
13 **QUARTERS SUPPORT ACTIVITIES.**

14 *(a) IN GENERAL.—(1) Chapter 3 of title 10, United*
15 *States Code, is amended by adding at the end the following*
16 *new section:*

17 **“§ 130a. Management headquarters and headquarters**
18 **support activities personnel: limitation**

19 *“(a) LIMITATION.—Effective October 1, 2001, the num-*
20 *ber of management headquarters and headquarters support*
21 *activities personnel in the Department of Defense may not*
22 *exceed the 75 percent of the baseline number.*

23 *“(b) PHASED REDUCTION.—The number of manage-*
24 *ment headquarters and headquarters support activities per-*
25 *sonnel in the Department of Defense—*

1 “(1) as of October 1, 1998, may not exceed 90
2 percent of the baseline number;

3 “(2) as of October 1, 1999, may not exceed 85
4 percent of the baseline number; and

5 “(3) as of October 1, 2000, may not exceed 80
6 percent of the baseline number.

7 “(c) *BASELINE NUMBER.*—*In this section, the term*
8 *‘baseline number’ means the number of management head-*
9 *quarters and headquarters support activities personnel in*
10 *the Department of Defense as of October 1, 1997.*

11 “(d) *MANAGEMENT HEADQUARTERS AND HEAD-*
12 *QUARTERS SUPPORT ACTIVITIES PERSONNEL DEFINED.*—
13 *In this section:*

14 “(1) *The term ‘management headquarters and*
15 *headquarters support activities personnel’ means*
16 *military and civilian personnel of the Department of*
17 *Defense who are assigned to, or employed in, func-*
18 *tions in management headquarters activities or in*
19 *management headquarters support activities.*

20 “(2) *The terms ‘management headquarters ac-*
21 *tivities’ and ‘management headquarters support ac-*
22 *tivities’ have the meanings given those terms in*
23 *Department of Defense Directive 5100.73, entitled*
24 *‘Department of Defense Management Headquarters*

1 *and Headquarters Support Activities’, as in effect on*
2 *November 12, 1996.*

3 “(e) *LIMITATION ON REASSIGNMENT OF FUNCTIONS.—*
4 *In carrying out reductions in the number of personnel as-*
5 *signed to, or employed in, management headquarters and*
6 *headquarters support activities in order to comply with this*
7 *section, the Secretary of Defense and the Secretaries of the*
8 *military departments may not reassign functions in order*
9 *to evade the requirements of this section.*

10 “(f) *FLEXIBILITY.—If the Secretary of Defense deter-*
11 *mines, and certifies to Congress, that the limitation in sub-*
12 *section (b) with respect to any fiscal year would adversely*
13 *affect United States national security, the Secretary may*
14 *waive the limitation under that subsection with respect to*
15 *that fiscal year. If the Secretary of Defense determines, and*
16 *certifies to Congress, that the limitation in subsection (a)*
17 *during fiscal year 2001 would adversely affect United*
18 *States national security, the Secretary may waive the limi-*
19 *tation under that subsection with respect to that fiscal year.*
20 *The authority under this subsection may be used only once,*
21 *with respect to a single fiscal year.”.*

22 (2) *The table of sections at the beginning of such chap-*
23 *ter is amended by adding at the end the following new item:*

 “130a. *Management headquarters and headquarters support activities personnel:*
 limitation.”.

1 **(b) IMPLEMENTATION REPORT.**—Not later than Janu-
2 ary 15, 1998, the Secretary of Defense shall submit to Con-
3 gress a report—

4 (1) containing a plan to achieve the personnel
5 reductions required by section 130a of title 10, United
6 States Code, as added by subsection (a); and

7 (2) including the recommendations of the Sec-
8 retary regarding—

9 (A) the revision, replacement, or augmenta-
10 tion of Department of Defense Directive 5100.73,
11 entitled “Department of Defense Management
12 Headquarters and Headquarters Support Activi-
13 ties”, as in effect on November 12, 1996; and

14 (B) the revision of the definitions of the
15 terms “management headquarters activities” and
16 “management headquarters support activities”
17 under that Directive so that those terms apply
18 uniformly throughout the Department of Defense.

19 **(c) CODIFICATION OF PRIOR PERMANENT LIMITATION**
20 **ON OSD PERSONNEL.**—(1) Chapter 4 of title 10, United
21 States Code, is amended by adding at the end a new section
22 143 consisting of—

23 (A) a heading as follows:

1 **“§ 143. Office of the Secretary of Defense personnel:**
2 **limitation”;**

3 *and*

4 *(B) a text consisting of the text of subsections (a)*
5 *through (f) of section 903 of the National Defense Au-*
6 *thorization Act for Fiscal Year 1997 (Public Law*
7 *104–201; 110 Stat. 2617).*

8 *(2) The table of sections at the beginning of such chap-*
9 *ter is amended by adding at the end the following new item:*

“143. Office of the Secretary of Defense personnel: limitation.”.

10 *(3) Section 903 of the National Defense Authorization*
11 *Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat.*
12 *2617) is repealed.*

13 **SEC. 102. ADDITIONAL REDUCTION IN DEFENSE ACQUI-**
14 **SION WORKFORCE.**

15 *(a) IN GENERAL.—(1) Chapter 87 of title 10, United*
16 *States Code, is amended by adding at the end the following*
17 *new section:*

18 **“§ 1765. Limitations on number of personnel**

19 *“(a) LIMITATION.—Effective October 1, 2001, the num-*
20 *ber of defense acquisition personnel may not exceed the base-*
21 *line number reduced by 124,000.*

22 *“(b) PHASED REDUCTION.—The number of the number*
23 *of defense acquisition personnel—*

24 *“(1) as of October 1, 1998, may not exceed the*
25 *baseline number reduced by 40,000;*

1 “(2) as of October 1, 1999, may not exceed the
2 baseline number reduced by 80,000; and

3 “(3) as of October 1, 2000, may not exceed the
4 baseline number reduced by 102,000;

5 “(c) *BASELINE NUMBER*.—For purposes of this sec-
6 tion, the baseline number is the total number of defense ac-
7 quisition personnel as of October 1, 1997.

8 “(d) *DEFENSE ACQUISITION PERSONNEL DEFINED*.—
9 (1) In this section, the term ‘defense acquisition personnel’
10 means military and civilian personnel (other than civilian
11 personnel described in paragraph (2)) who are assigned to,
12 or employed in, acquisition organizations of the Depart-
13 ment of Defense (as specified in Department of Defense In-
14 struction numbered 5000.58 dated January 14, 1992).

15 “(2) Such term does not include civilian employees of
16 the Department of Defense who are employed at a mainte-
17 nance depot.”.

18 (2) The table of sections at the beginning of such chap-
19 ter is amended by adding at the end the following new item:
 “1765. Limitations on number of personnel.”.

20 (b) *IMPLEMENTATION REPORT*.—Not later than Janu-
21 ary 15, 1998, the Secretary of Defense shall submit to Con-
22 gress a report—

23 (1) containing a plan to achieve the personnel
24 reductions required by section 1765 of title 10, United
25 States Code, as added by subsection (a); and

1 (2) containing any recommendations (including
2 legislative proposals) that the Secretary considers nec-
3 essary to fully achieve such reductions.

4 (c) *TECHNICAL REFERENCE CORRECTION.*—Section
5 1721(c) of title 10, United States Code, is amended by strik-
6 ing out “November 25, 1988” and inserting in lieu thereof
7 “November 12, 1996”.

8 **SEC. 103. CHANGE IN REQUIRED REDUCTION IN ANNUITY**
9 **FOR CERTAIN DEFENSE ACQUISITION PER-**
10 **SONNEL WHO ARE SEPARATED BEFORE AGE**
11 **55.**

12 (a) *ALTERNATIVE REDUCTION.*—In the case of a civil-
13 ian employee of the Department of Defense described in sub-
14 section (b) who is separated during fiscal year 1998 in the
15 manner described in section 8336(d) of title 5, United
16 States Code, the resulting reduction in annuity required to
17 be made under section 8339(h) of such title shall be $\frac{1}{12}$ of
18 1 percent for each full month the employee is under 55 years
19 of age at the date of separation (rather than $\frac{1}{6}$ of 1 per-
20 cent).

21 (b) *ELIGIBLE DEFENSE ACQUISITION PERSONNEL.*—
22 A civilian employee of the Department of Defense referred
23 to in subsection (a) is a civilian employee who, as of the
24 date of separation—

1 (1) is covered by the definition of “defense acqui-
2 sition personnel” in section 1765(d) of title 10,
3 United States Code, as added by section 102;

4 (2) is serving in grade GS–13 of the General
5 Schedule or above; and

6 (3) is 50 years of age or older.

7 (c) *EXCEPTION.*—Subsection (a) shall not apply if the
8 civilian employee accepts separation pay—

9 (1) under section 5597 of title 5, United States
10 Code; or

11 (2) under section 104.

12 (d) *REPORTING REQUIREMENTS.*—(1) Not later than
13 March 31, 1998, the Secretary of Defense shall submit to
14 Congress a report specifying—

15 (A) the number of civilian employees of the De-
16 partment of Defense (by age and grade) who have re-
17 ceived the alternative annuity reduction authorized
18 by this section; and

19 (B) the anticipated number of such employees
20 who will receive the alternative annuity reduction
21 during fiscal year 1998.

22 (2) Not later than December 1, 1998, the Secretary of
23 Defense shall submit to Congress a final report covering fis-
24 cal year 1998 and containing the information required by
25 paragraph (1)(A).

1 **SEC. 104. SEPARATION PAY FOR DEFENSE ACQUISITION**
2 **PERSONNEL.**

3 (a) *AVAILABILITY OF SEPARATION PAY.*—The Sec-
4 retary of Defense may offer separation pay under this sec-
5 tion to a civilian employee of the Department of Defense
6 who—

7 (1) is covered by the definition of “defense acqui-
8 sition personnel” in section 1765(d) of title 10,
9 United States Code, as added by section 102;

10 (2) is separated during fiscal year 1998 in the
11 manner described in section 8336(d) of title 5, United
12 States Code; and

13 (3) does not receive separation pay under the au-
14 thority of section 5597 of title 5, United States Code.

15 (b) *PAYMENT, AMOUNT, AND TERMS.*—Subsections (d)
16 and (g) of section 5597 of title 5, United States Code, shall
17 apply with respect to the manner in which, the amount of,
18 and terms under which separation pay is provided under
19 this section.

20 (c) *EFFECT ON OTHER SEPARATION PAY AUTHOR-*
21 *ITY.*—The authority provided in this section may not be
22 used to reduce the extent to which separation pay is pro-
23 vided during fiscal year 1998 under section 5597 of title
24 5, United States Code, as proposed in the budget of the
25 President for fiscal year 1998 submitted to Congress pursu-
26 ant to section 1105 of title 31, United States Code.

1 (d) *RELATIONSHIP TO OTHER SPECIAL AUTHORITY.*—
2 *A civilian employee who receives separation pay under this*
3 *section may not also receive a change under section 103*
4 *in the reduction otherwise made to the employee's annuity*
5 *under section 8339(h) of title 5, United States Code.*

6 (e) *REPORT.*—*In the report required for fiscal year*
7 *1998 under section 4436(c) of the National Defense Author-*
8 *ization Act for Fiscal Year 1993 (Public Law 102-484; 5*
9 *U.S.C. 5597 note), the Secretary of Defense shall include,*
10 *as a separate portion of the report, information on the man-*
11 *ner in which the authority provided in this section was im-*
12 *plemented and the effectiveness and costs of carrying out*
13 *the authority.*

14 **SEC. 105. PERSONNEL REDUCTIONS IN UNITED STATES**
15 **TRANSPORTATION COMMAND.**

16 (a) *PURPOSE OF LIMITATION.*—*The purpose of the*
17 *limitation on the number of United States Transportation*
18 *Command personnel established by section 165(d) of title*
19 *10, United States Code, as added by subsection (b), is to*
20 *recognize and continue the effort of the Secretary of Defense*
21 *to eliminate administrative duplication and inefficiencies*
22 *in the United States Transportation Command.*

23 (b) *LIMITATION.*—*Section 165 of title 10, United*
24 *States Code, is amended by adding at the end the following*
25 *new subsection:*

1 “(d) *LIMITATION ON UNITED STATES TRANSPOR-*
2 *TATION COMMAND PERSONNEL.*—(1) *Effective October 1,*
3 *1998, the number of United States Transportation Com-*
4 *mand personnel may not exceed 66,238.*

5 “(2) *In this subsection, the term ‘United States Trans-*
6 *portation Command personnel’ means military and civil-*
7 *ian personnel who are assigned to, or employed in, the*
8 *United States Transportation Command (including the*
9 *components of that combatant command).’.*”

10 (c) *SOURCE OF REDUCTIONS.*—(1) *In reducing the*
11 *number of United States Transportation Command person-*
12 *nel in order to meet the limitation required by section*
13 *165(d) of title 10, United States Code, as added by sub-*
14 *section (b), the Secretary of Defense shall limit such reduc-*
15 *tions to United States Transportation Command personnel*
16 *described in paragraph (2).*

17 (2) *The United States Transportation Command per-*
18 *sonnel referred to in paragraph (1) are members of the*
19 *Armed Forces and civilian personnel of the Department of*
20 *Defense who are assigned to, or employed in, the United*
21 *States Transportation Command (including the compo-*
22 *nents of that combatant command) and who are in one of*
23 *the following occupational classifications established to*
24 *group similar occupations and work positions into a con-*
25 *sistent structure:*

1 (A) *Enlisted members in the Functional Support*
2 *and Administration classification (designated as oc-*
3 *cupational code 5XX), as described in Department of*
4 *Defense Instruction 1312.1, dated August 9, 1995, re-*
5 *garding “Department of Defense Occupational Infor-*
6 *mation Collection and Reporting”.*

7 (B) *Officers in the General Officers and Execu-*
8 *tives classification (designated as occupational code*
9 *1XX), Administrators (designated as occupational*
10 *code 7XX), and Supply, Procurement, and Allied Of-*
11 *ficers classification (designated as occupational code*
12 *8XX), as described in such instruction.*

13 (C) *Civilian personnel in the Program Manage-*
14 *ment classification (designated as occupational code*
15 *GS-0340), Accounting and Budget classification (des-*
16 *ignated as occupational code GS-0500 and related*
17 *codes), Business and Industry classification (des-*
18 *ignated as occupational code GS-1100 and related*
19 *codes), and Supply classification (designated as occu-*
20 *pational code GS-2000 and related codes), as de-*
21 *scribed in Office of Personnel Management document*
22 *El-12, dated November 1, 1995, entitled “Federal Oc-*
23 *cupational Groups”.*

1 **TITLE II—DEFENSE BUSINESS**
2 **PRACTICES REFORMS**
3 **Subtitle A—Competitive**
4 **Procurement Requirements**

5 **SEC. 201. COMPETITIVE PROCUREMENT OF FINANCE AND**
6 **ACCOUNTING SERVICES.**

7 (a) *COMPETITIVE PROCUREMENT REQUIRED.*—Chap-
8 *ter 165 of title 10, United States Code, is amended by add-*
9 *ing at the end the following new section:*

10 **“§2784. Competitive procurement of finance and ac-**
11 **counting services**

12 “(a) *COMPETITIVE PROCUREMENT REQUIRED.*—Be-
13 *ginning not later than October 1, 1998, the Secretary of*
14 *Defense shall competitively procure finance and accounting*
15 *services for the Department of Defense, including non-*
16 *appropriated fund instrumentalities of the Department of*
17 *Defense. The Secretary shall establish procedures to conduct*
18 *competitions among private-sector sources and the Defense*
19 *Finance and Accounting Service and other interested Fed-*
20 *eral agencies. Such procedures shall not permit a compo-*
21 *nent of the Defense Finance and Accounting Service to com-*
22 *pete against any other component of the Defense Finance*
23 *and Accounting Service to provide such finance and ac-*
24 *counting services.*

1 “(b) *IMPROVEMENT OF COMPETITIVE ABILITY.*—Be-
2 fore conducting a competition under subsection (a) for the
3 procurement of finance and accounting services that are
4 being provided by a component of the Defense Finance and
5 Accounting Service, the Secretary of Defense shall provide
6 the component with an opportunity to establish its most
7 efficient organization.

8 “(c) *REPORTING REQUIREMENTS.*—Not later than 90
9 days after the end of each fiscal year in which finance and
10 accounting services are competitively procured under sub-
11 section (a), the Secretary of Defense shall submit to Con-
12 gress a report specifying the total volume of finance and
13 accounting services procured by the Department of Defense
14 during that fiscal year—

15 “(1) from sources within the Department of De-
16 fense;

17 “(2) from private-sector sources; and

18 “(3) from other sources in the Federal Govern-
19 ment.”.

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

“2784. Competitive procurement of finance and accounting services.”.

1 **SEC. 202. COMPETITIVE PROCUREMENT OF SERVICES TO**
2 **DISPOSE OF SURPLUS DEFENSE PROPERTY.**

3 (a) *COMPETITIVE PROCUREMENT REQUIRED.—(1)*
4 *Chapter 153 of title 10, United States Code, is amended*
5 *by inserting after section 2572 the following new section:*

6 **“§2573. Competitive procurement of services to dis-**
7 **pose of surplus property**

8 “(a) *COMPETITIVE PROCUREMENT OF SERVICES.—Be-*
9 *ginning not later than October 1, 1998, the Secretary of*
10 *Defense shall competitively procure services for the Depart-*
11 *ment of Defense in connection with the disposal of surplus*
12 *property at each site at which the Defense Reutilization and*
13 *Marketing Service operates. The Secretary shall establish*
14 *procedures to conduct competitions among private-sector*
15 *sources and the Defense Reutilization and Marketing Serv-*
16 *ice and other interested Federal agencies for the perform-*
17 *ance of such services at a particular site.*

18 “(b) *IMPROVEMENT OF COMPETITIVE ABILITY.—Be-*
19 *fore conducting a competition under subsection (a) for the*
20 *procurement of services described in such subsection that are*
21 *being provided by a component of the Defense Reutilization*
22 *and Marketing Service, the Secretary of Defense shall pro-*
23 *vide the component with an opportunity to establish its*
24 *most efficient organization.*

25 “(c) *REPORTING REQUIREMENTS.—Not later than 90*
26 *days after the end of each fiscal year in which services for*

1 *the disposal of surplus property are competitively procured*
2 *under subsection (a), the Secretary of Defense shall submit*
3 *to Congress a report specifying—*

4 “(1) *the type and volume of such services pro-*
5 *duced by the Department of Defense during that fiscal*
6 *year from the Defense Reutilization and Marketing*
7 *Service and from other sources;*

8 “(2) *the former sites of the Defense Reutilization*
9 *and Marketing Service operated during that fiscal*
10 *year by contractors (other than the Defense Reutiliza-*
11 *tion and Marketing Service); and*

12 “(3) *the total amount of any fees paid by such*
13 *contractors in connection with the performance of*
14 *such services during that fiscal year.*

15 “(d) *RULE OF CONSTRUCTION.—Nothing in this sec-*
16 *tion shall be construed to alter the requirements regarding*
17 *the identification or demilitarization of an item of excess*
18 *property or surplus property of the Department of Defense*
19 *before the disposal of the item.*

20 “(e) *DEFINITIONS.—In this section:*

21 “(1) *The term ‘surplus property’ means any per-*
22 *sonal excess property which is not required for the*
23 *needs and the discharge of the responsibilities of all*
24 *Federal agencies and the disposal of which is the re-*
25 *sponsibility of the Department of Defense.*

1 “(2) *The term ‘excess property’ means any per-*
2 *sonal property under the control of the Department of*
3 *Defense which is not required for its needs and the*
4 *discharge of its responsibilities, as determined by the*
5 *Secretary of Defense.”.*

6 (2) *The table of sections at the beginning of such chap-*
7 *ter is amended by inserting after the item relating to section*
8 *2572 the following new item:*

 “2573. *Competitive procurement of services to dispose of surplus property.”.*

9 (b) *IMPLEMENTATION REPORT.—Not later than March*
10 *1, 1998, the Secretary of Defense shall submit to Congress*
11 *a report—*

12 (1) *containing a plan to implement the competi-*
13 *tive procurement requirements of section 2573 of title*
14 *10, United States Code, as added by subsection (a);*
15 *and*

16 (2) *identifying other functions of the Defense Re-*
17 *utilization and Marketing Service that the Secretary*
18 *considers suitable for performance by private-sector*
19 *sources.*

20 **SEC. 203. COMPETITIVE PROCUREMENT OF FUNCTIONS**
21 **PERFORMED BY DEFENSE INFORMATION SYS-**
22 **TEMS AGENCY.**

23 (a) *COMPETITIVE PROCUREMENT REQUIRED.—(1)*
24 *Chapter 146 of title 10, United States Code, is amended*
25 *by adding at the end the following new section:*

1 **“§2474. Competitive procurement of information serv-**
2 **ices**

3 “(a) *COMPETITIVE PROCUREMENT REQUIRED.*—Be-
4 *ginning not later than October 1, 1998, the Secretary of*
5 *Defense shall competitively procure those commercial and*
6 *industrial type functions performed before that date by the*
7 *Defense Information Systems Agency. The Secretary shall*
8 *establish procedures to conduct competitions among private-*
9 *sector sources and the Defense Information Systems Agency*
10 *and other interested Federal agencies.*

11 “(b) *IMPROVEMENT OF COMPETITIVE ABILITY.*—Be-
12 *fore conducting a competition under subsection (a) for the*
13 *procurement of information services that are being provided*
14 *by a component of the Defense Information Systems Agency,*
15 *the Secretary of Defense shall provide the component with*
16 *an opportunity to establish its most efficient organization.*

17 “(c) *EXCEPTION FOR CLASSIFIED FUNCTIONS.*—(1)
18 *The requirement of subsection (a) shall not apply to the*
19 *procurement of services involving a classified function per-*
20 *formed by the Defense Information Systems Agency.*

21 “(2) *In this subsection, the term ‘classified function’*
22 *means any telecommunications or information services*
23 *that—*

24 “(A) *involve intelligence activities;*

25 “(B) *involve cryptologic activities related to na-*
26 *tional security;*

1 “(C) involve command and control of military
2 forces;

3 “(D) involve equipment that is an integral part
4 of a weapon or weapons system; or

5 “(E) are critical to the direct fulfillment of mili-
6 tary or intelligence missions (other than routine ad-
7 ministrative and business applications, such as pay-
8 roll, finance, logistics, and personnel management ap-
9 plications).

10 “(d) REPORTING REQUIREMENTS.—Not later than 90
11 days after the end of each fiscal year in which services are
12 competitively procured under subsection (a), the Secretary
13 of Defense shall submit to Congress a report specifying the
14 type and volume of such services procured by the Depart-
15 ment of Defense during that fiscal year—

16 “(1) from sources within the Department of De-
17 fense;

18 “(2) from private-sector sources; and

19 “(3) from other sources in the Federal Govern-
20 ment.”.

21 (2) The table of sections at the beginning of such chap-
22 ter is amended by adding at the end the following new item:

“2474. Competitive procurement of information services.”.

23 (b) IMPLEMENTATION REPORT.—Not later than March
24 1, 1998, the Secretary of Defense shall submit to Congress
25 a report—

1 (1) containing a plan to implement the competi-
2 tive procurement requirements of section 2474 of title
3 10, United States Code, as added by subsection (a);

4 (2) describing the services currently provided by
5 the Defense Information Systems Agency that will be
6 affected by such requirements; and

7 (3) describing the manner in which the Secretary
8 proposes to change the support infrastructure of the
9 Defense Information Systems Agency to meet such re-
10 quirements.

11 **SEC. 204. COMPETITIVE PROCUREMENT OF PRINTING AND**
12 **DUPLICATION SERVICES.**

13 (a) *EXTENSION*.—Subsection (a) of section 351 of the
14 *National Defense Authorization Act for Fiscal Year 1996*
15 *(Public Law 104–106; 110 Stat. 266)* is amended—

16 (1) by striking out “and 1997” and inserting in
17 lieu thereof “through 1998”; and

18 (2) by striking out “Defense Printing Service”
19 and inserting in lieu thereof “Defense Automation
20 and Printing Service”.

21 (b) *PROHIBITION ON SURCHARGE FOR SERVICES*.—
22 *Such section is further amended by adding at the end the*
23 *following new subsection:*

24 “(d) *PROHIBITION ON IMPOSITION OF SURCHARGE*.—
25 *The Defense Automation and Printing Service may not im-*

1 *pose a surcharge on any printing and duplication service*
2 *for the Department of Defense that is procured from a*
3 *source outside of the Department.”.*

4 **SEC. 205. COMPETITIVE PROCUREMENT OF CERTAIN OPH-**
5 **THALMIC SERVICES.**

6 (a) *COMPETITIVE PROCUREMENT REQUIRED.—Begin-*
7 *ning not later than October 1, 1998, the Secretary of De-*
8 *fense shall competitively procure from private-sector*
9 *sources, or other sources outside of the Department of De-*
10 *fense, all ophthalmic services related to the provision of sin-*
11 *gle vision and multivision eyewear for members of the*
12 *Armed Forces, retired members, and certain covered bene-*
13 *ficiaries under chapter 55 of title 10, United States Code,*
14 *who would otherwise receive such ophthalmic services through*
15 *the Department of Defense.*

16 (b) *EXCEPTION.—Subsection (a) shall not apply to the*
17 *extent that the Secretary of Defense determines that the use*
18 *of sources within the Department of Defense to provide such*
19 *ophthalmic services—*

20 (1) *is necessary to meet the readiness require-*
21 *ments of the Armed Forces; or*

22 (2) *is more cost effective.*

23 (c) *COMPLETION OF EXISTING ORDERS.—Subsection*
24 *(a) shall not apply to orders for ophthalmic services received*
25 *on or before September 30, 1998.*

1 **SEC. 206. INCREASED USE BY DEFENSE AGENCIES OF CON-**
2 **TRACTORS TO PERFORM COMMERCIAL AND**
3 **INDUSTRIAL TYPE FUNCTIONS.**

4 (a) *INCREASED USE REQUIRED.*—Section 2461 of title
5 10, United States Code, is amended—

6 (1) *by redesignating subsection (g) as subsection*
7 *(h); and*

8 (2) *by inserting after subsection (f) the following*
9 *new subsection:*

10 “(g) *INCREASED USE OF CONTRACTORS BY DEFENSE*
11 *AGENCIES.*—(1) *In each fiscal year beginning after Septem-*
12 *ber 30, 1999, not less than 33 percent of the commercial*
13 *and industrial type functions of the Defense Agencies shall*
14 *be performed by private contractors. The Secretary of*
15 *Defense may achieve this goal before that date.*

16 “(2) *In this subsection, the term ‘Defense Agency’*
17 *means a program activity specified in the table entitled*
18 *‘Program and Financing’ for operation and maintenance,*
19 *Defense-wide activities, in the budget of the President trans-*
20 *mitted to Congress for fiscal year 1998 pursuant to section*
21 *1105 of title 31 (and any successor of such activity).”.*

22 (b) *IMPLEMENTATION PLAN.*—Not later than March 1,
23 1998, the Secretary of Defense shall submit to Congress a
24 plan to accomplish the increased rate of outsourcing re-
25 quired by subsection (g) of section 2461 of title 10, United
26 States Code, as added by subsection (a). The plan shall

1 *identify the specific Defense Agency functions to be consid-*
2 *ered for contractor performance, the number of military and*
3 *civilian positions affected, and relevant milestones for the*
4 *outsourcing of the identified functions.*

5 ***Subtitle B—Reform of Conversion***
6 ***Process***

7 ***SEC. 211. DEVELOPMENT OF STANDARD FORMS REGARDING***
8 ***PERFORMANCE WORK STATEMENT AND RE-***
9 ***QUEST FOR PROPOSAL FOR CONVERSION OF***
10 ***CERTAIN OPERATIONAL FUNCTIONS OF MILI-***
11 ***TARY INSTALLATIONS.***

12 *(a) STANDARD FORMS REQUIRED.—Chapter 146 of*
13 *title 10, United States Code, is amended by inserting after*
14 *section 2474, as added by section 203, the following new*
15 *section:*

16 ***“§2475. Military installations: use of standard forms***
17 ***in conversion process***

18 *“(a) STANDARDIZATION OF REQUIREMENTS.—(1) The*
19 *Secretary of Defense shall develop standard forms (to be*
20 *known as a ‘standard performance work statement’ and a*
21 *‘standard request for proposal’) to be used in the consider-*
22 *ation for conversion to contractor performance of those com-*
23 *mercial services and functions at military installations that*
24 *have been converted to contractor performance at a rate of*
25 *50 percent or more, as determined under subsection (c).*

1 “(2) *A separate standard form shall be developed for*
2 *each service and function covered by paragraph (1) and the*
3 *forms shall be used throughout the Department of Defense*
4 *in lieu of the performance work statement and request for*
5 *proposal otherwise required under the procedures and*
6 *requirements of Office of Management and Budget Circular*
7 *A-76 (or any successor administrative regulation or pol-*
8 *icy).*

9 “(3) *The Secretary shall develop and implement the*
10 *standard forms not later than October 1, 1998.*

11 “(b) *INAPPLICABILITY OF ELEMENTS OF OMB CIR-*
12 *CULAR A-76.—On and after October 1, 1998, the proce-*
13 *dures and requirements of Office of Management and Budg-*
14 *et Circular A-76 regarding performance work statements*
15 *and requests for proposals shall not apply with respect to*
16 *the conversion to contractor performance at a military in-*
17 *stallation of a service or function for which a standard form*
18 *is required under subsection (a).*

19 “(c) *DETERMINATION OF CONTRACTOR PERFORMANCE*
20 *PERCENTAGE.—In determining the percentage at which a*
21 *particular commercial service or function at military in-*
22 *stallations has been converted to contractor performance,*
23 *the Secretary of Defense shall take into consideration all*
24 *military installations and use the final estimate of the per-*
25 *centage of contractor performance of service and functions*

1 *contained in the most recent commercial and industrial*
2 *activity inventory database established under Office of*
3 *Management and Budget Circular A-76.*

4 “(d) *EXCLUSION OF MULTI-FUNCTION CONVERSION.*—
5 *If a commercial service or function for which a standard*
6 *form is developed under subsection (a) is combined with an-*
7 *other service or function (for which such a form is not re-*
8 *quired) for purposes of considering the services and func-*
9 *tions at the military installation for conversion to contrac-*
10 *tor performance, a standard form developed under sub-*
11 *section (a) may not be used in the conversion process in*
12 *lieu of the procedures and requirements of Office of Manage-*
13 *ment and Budget Circular A-76 regarding performance*
14 *work statements and requests for proposals.*

15 “(e) *EFFECT ON OTHER LAWS.*—*Nothing in this sec-*
16 *tion shall be construed to supersede any other requirements*
17 *or limitations, specifically contained in this chapter, on the*
18 *conversion to contractor performance of activities performed*
19 *by civilian employees of the Department of Defense.*

20 “(f) *MILITARY INSTALLATION DEFINED.*—*In this sec-*
21 *tion, the term ‘military installation’ means a base camp,*
22 *post, station, yard, center, homeport facility for any ship,*
23 *or other activity under the jurisdiction of the Department*
24 *of Defense, including any leased facility.”.*

1 (b) *CLERICAL AMENDMENT.*—*The table of sections at*
 2 *the beginning of such chapter is amended by inserting after*
 3 *the item relating to section 2474, as added by section 203,*
 4 *the following new item:*

“2475. Military installations: use of standard forms in conversion process.”.

5 **SEC. 212. STUDY AND NOTIFICATION REQUIREMENTS FOR**
 6 **CONVERSION OF COMMERCIAL AND INDUS-**
 7 **TRIAL TYPE FUNCTIONS TO CONTRACTOR**
 8 **PERFORMANCE.**

9 (a) *NOTIFICATION.*—*Section 2461 of title 10, United*
 10 *States Code, is amended by striking out subsections (a) and*
 11 *(b) and inserting in lieu thereof the following new sub-*
 12 *sections:*

13 “(a) *NOTIFICATION OF CONVERSION STUDY.*—(1) *In*
 14 *the case of a commercial or industrial type function of the*
 15 *Department of Defense that on October 1, 1980, was being*
 16 *performed by Department of Defense civilian employees, the*
 17 *Secretary of Defense shall notify Congress of any decision*
 18 *to study the function for possible conversion to performance*
 19 *by a private contractor. The notification shall include infor-*
 20 *mation regarding the anticipated length and cost of the*
 21 *study.*

22 “(2) *A study of a commercial or industrial type func-*
 23 *tion for possible conversion to contractor performance shall*
 24 *include the following:*

1 “(A) A comparison of the performance of the
2 function by Department of Defense civilian employees
3 and by private contractor to determine whether con-
4 tractor performance will result in savings to the Gov-
5 ernment over the life of the contract.

6 “(B) An examination of the potential economic
7 effect on employees who would be affected by the con-
8 version, and the potential economic effect on the local
9 community and the United States if more than 75
10 employees perform the function.

11 “(C) An examination of the effect of contracting
12 for performance of the function on the military mis-
13 sion of the function.

14 “(b) NOTIFICATION OF CONVERSION DECISION.—If, as
15 a result of the completion of a study under subsection (a)
16 regarding the possible conversion of a function to perform-
17 ance by a private contractor, a decision is made to convert
18 the function to contractor performance, the Secretary of De-
19 fense shall notify Congress of the conversion decision. The
20 notification shall—

21 “(1) indicate that the study conducted regarding
22 conversion of the function to performance by a private
23 contractor has been completed;

24 “(2) certify that the comparison required by sub-
25 section (a)(2)(A) as part of the study demonstrates

1 *that the performance of the function by a private con-*
2 *tractor will result in savings to the Government over*
3 *the life of the contract;*

4 “(3) *certify that the entire comparison is avail-*
5 *able for examination; and*

6 “(4) *contain a timetable for completing conver-*
7 *sion of the function to contractor performance.*”.

8 **(b) WAIVER FOR SMALL FUNCTIONS.**—*Subsection (d)*
9 *of such section is amended by striking out “45 or fewer”*
10 *and inserting in lieu thereof “20 or fewer”.*

11 **SEC. 213. COLLECTION AND RETENTION OF COST INFORMA-**
12 **TION DATA ON CONTRACTED OUT SERVICES**
13 **AND FUNCTIONS.**

14 **(a) COLLECTION AND RETENTION REQUIRED.**—*Sec-*
15 *tion 2463 of title 10, United States Code, is amended—*

16 (1) *by redesignating subsections (a) and (b) as*
17 *subsections (b) and (c), respectively; and*

18 (2) *by inserting after the section heading the fol-*
19 *lowing new subsection:*

20 “(a) **REQUIREMENTS IN CONNECTION WITH CONVER-**
21 **SION TO CONTRACTOR PERFORMANCE.**—*With respect to*
22 *each contract converting the performance of a service or*
23 *function of the Department of Defense to contractor per-*
24 *formance (and any extension of such a contract), the Sec-*
25 *retary of Defense shall collect, during the term of the con-*

1 tract or extension, but not to exceed five years, cost informa-
 2 tion data regarding performance of the service or function
 3 by private contractor employees. The Secretary shall pro-
 4 vide for the permanent retention of information collected
 5 under this subsection.”.

6 (b) *CONFORMING AMENDMENTS.*—Such section is fur-
 7 ther amended—

8 (1) in subsection (b), as redesignated by sub-
 9 section (a)(1)—

10 (A) by striking out the subsection heading
 11 and inserting in lieu thereof “*REQUIREMENTS IN*
 12 *CONNECTION WITH RETURN TO EMPLOYEE PER-*
 13 *FORMANCE.—*”; and

14 (B) by striking out “to which this section
 15 applies” and inserting in lieu thereof “described
 16 in subsection (c),”; and

17 (2) in subsection (c), as redesignated by sub-
 18 section (a)(1)—

19 (A) by striking out the subsection heading
 20 and inserting in lieu thereof “*COVERED FISCAL*
 21 *YEARS.—*”; and

22 (B) by striking out “This section” and in-
 23 serting in lieu thereof “Subsection (b)”.

24 (c) *CLERICAL AMENDMENTS.*—(1) The heading of such
 25 section is amended to read as follows:

1 **“§2463. Collection and retention of cost information**
 2 **data on contracted out services and func-**
 3 **tions”.**

4 (2) *The item relating to such section in the table of*
 5 *sections at the beginning of chapter 146 of title 10, United*
 6 *States Code, is amended to read as follows:*

“2463. Collection and retention of cost information data on contracted out services and functions.”.

7 ***Subtitle C—Other Reforms***

8 **SEC. 221. REDUCTION IN OVERHEAD COSTS OF INVENTORY**
 9 **CONTROL POINTS.**

10 (a) *REDUCTION IN COSTS REQUIRED.—The Secretary*
 11 *of Defense shall take such actions as may be necessary to*
 12 *reduce the annual overhead costs of the supply management*
 13 *activities of the Defense Logistics Agency and the military*
 14 *departments (known as Inventory Control Points) so that*
 15 *the annual overhead costs are not more than eight percent*
 16 *of annual net sales at standard price by the Inventory Con-*
 17 *trol Points.*

18 (b) *TIME TO ACHIEVE REDUCTION.—The Secretary*
 19 *shall achieve the cost reductions required by subsection (a)*
 20 *not later than September 30, 2000.*

21 (c) *IMPLEMENTATION PLAN.—Not later than March 1,*
 22 *1998, the Secretary of Defense shall submit to Congress a*
 23 *plan to achieve the reduction in overhead costs required by*
 24 *subsection (a).*

1 (d) *DEFINITIONS.—For purposes of this section:*

2 (1) *The term “overhead costs” means the total*
3 *expenses of the Inventory Control Points, excluding—*

4 (A) *annual materiel costs; and*

5 (B) *military and civilian personnel related*
6 *costs, defined as personnel compensation and*
7 *benefits under the March 1996 Department of*
8 *Defense Financial Management Regulations, Vol-*
9 *ume 2A, Chapter 1, Budget Account Title File*
10 *(Object Classification Name/Code), object classi-*
11 *fications 200, 211, 220, 221, 222, and 301.*

12 (2) *The term “net sales at standard price” has*
13 *the meaning given that term in the March 1996 De-*
14 *partment of Defense Financial Management Regula-*
15 *tions, Volume 2B, Chapter 9, and displayed in “Ex-*
16 *hibit Fund—14 Revenue and Expenses” for the sup-*
17 *ply management business areas.*

18 **SEC. 222. CONSOLIDATION OF PROCUREMENT TECHNICAL**
19 **ASSISTANCE AND ELECTRONIC COMMERCE**
20 **TECHNICAL ASSISTANCE.**

21 (a) *CONSOLIDATION OF ASSISTANCE.—Chapter 142 of*
22 *title 10, United States Code, is amended as follows:*

23 (1) *Sections 2412, 2414, 2417, and 2418 are*
24 *each amended by inserting “and electronic commerce”*
25 *after “procurement” each place it appears.*

1 (2) *Section 2413 is amended—*

2 (A) *in subsection (b), by striking out “pro-*
3 *urement technical assistance” and inserting in*
4 *lieu thereof “both procurement technical assist-*
5 *ance and electronic commerce technical assist-*
6 *ance”;* and

7 (B) *in subsection (c), by inserting “and*
8 *electronic commerce” after “procurement”.*

9 (b) *REQUIREMENT TO USE COMPETITIVE PROCE-*
10 *DURES.—Section 2413 of such title is amended by adding*
11 *at the end the following new subsection:*

12 *“(d) The Secretary shall use competitive procedures in*
13 *entering into cooperative agreements under subsection (a).”.*

14 (c) *LIMITATION ON USE OF FUNDS.—Section 2417 of*
15 *such title is amended—*

16 (1) *by striking out “The Director” and inserting*
17 *in lieu thereof the following: “(b) ADMINISTRATIVE*
18 *COSTS.—The Director”;* and

19 (2) *by inserting before subsection (b) (as des-*
20 *ignated by paragraph (1)) the following:*

21 *“(a) LIMITATION ON USE OF FUNDS.—In any fiscal*
22 *year the Secretary of Defense may use for the program au-*
23 *thorized by this chapter only funds specifically appro-*
24 *priated for the program for that fiscal year.”.*

1 (d) *CLERICAL AMENDMENTS.*—(1) *The heading for*
 2 *chapter 142 of such title is amended to read as follows:*

3 **“CHAPTER 142—PROCUREMENT AND**
 4 **ELECTRONIC COMMERCE TECHNICAL**
 5 **ASSISTANCE PROGRAM”.**

6 (2) *The tables of chapters at the beginning of subtitle*
 7 *A, and at the beginning of part IV of subtitle A, of such*
 8 *title are each amended by striking out the item relating to*
 9 *chapter 142 and inserting in lieu thereof the following:*

“142. Procurement and Electronic Commerce Technical
 Assistance Program 2411”.

10 (3) *The heading for section 2417 of such title is amend-*
 11 *ed to read as follows:*

12 **“§2417. Funding provisions”.**

13 (4) *The table of sections at the beginning of chapter*
 14 *142 of such title is amended by striking out the item relat-*
 15 *ing to section 2417 and inserting in lieu thereof the follow-*
 16 *ing:*

“2417. Funding provisions.”.

17 **SEC. 223. PERMANENT AUTHORITY REGARDING CONVEY-**
 18 **ANCE OF UTILITY SYSTEMS.**

19 (a) *IN GENERAL.*—*Chapter 159 of title 10, United*
 20 *States Code, is amended by inserting after section 2687 the*
 21 *following new section:*

1 **“§2688. Utility systems: permanent conveyance au-**
2 **thority**

3 “(a) *CONVEYANCE AUTHORITY.*—*The Secretary of a*
4 *military department may convey a utility system, or part*
5 *of a utility system, under the jurisdiction of the Secretary*
6 *to a municipal, private, regional, district, or cooperative*
7 *utility company or other entity. The conveyance may con-*
8 *sist of all right, title, and interest of the United States in*
9 *the utility system or such lesser estate as the Secretary con-*
10 *siders appropriate to serve the interests of the United*
11 *States.*

12 “(b) *UTILITY SYSTEM DEFINED.*—*In this section, the*
13 *term ‘utility system’ includes the following:*

14 “(1) *Electrical generation and supply systems.*

15 “(2) *Water supply and treatment systems.*

16 “(3) *Wastewater collection and treatment sys-*
17 *tems.*

18 “(4) *Steam or hot or chilled water generation*
19 *and supply systems.*

20 “(5) *Natural gas supply systems.*

21 “(6) *Sanitary landfills or lands to be used for*
22 *sanitary landfills.*

23 “(7) *Similar utility systems.*

24 “(c) *CONSIDERATION.*—(1) *The Secretary of a military*
25 *department may accept consideration received for a convey-*
26 *ance under subsection (a) in the form of a cash payment*

1 *or a reduction in utility rate charges for a period of time*
2 *sufficient to amortize the monetary value of the utility sys-*
3 *tem, including any real property interests, conveyed.*

4 “(2) *Cash payments received shall be credited to an*
5 *appropriation account designated as appropriate by the*
6 *Secretary of Defense. Amounts so credited shall be available*
7 *for the same time period as the appropriation credited and*
8 *shall be used only for the purposes authorized for that ap-*
9 *propriation.*

10 “(d) *CONGRESSIONAL NOTIFICATION.—A conveyance*
11 *may not be made under subsection (a) until—*

12 “(1) *the Secretary of the military department*
13 *concerned submits to the appropriate committees of*
14 *Congress (as defined in section 2801(c)(4) of this*
15 *title) a report containing an economic analysis (based*
16 *upon accepted life-cycle costing procedures approved*
17 *by the Secretary of Defense) which demonstrates that*
18 *the full cost to the United States of the proposed con-*
19 *veyance is cost-effective when compared with alter-*
20 *native means of furnishing the same utility systems;*
21 *and*

22 “(2) *a period of 21 days has elapsed after the*
23 *date on which the report is received by the commit-*
24 *tees.*

1 “(e) *ADDITIONAL TERMS AND CONDITIONS.*—*The Sec-*
 2 *retary of the military department concerned may require*
 3 *such additional terms and conditions in a conveyance en-*
 4 *tered into under subsection (a) as the Secretary considers*
 5 *appropriate to protect the interests of the United States.”.*

6 (b) *CLERICAL AMENDMENT.*—*The table of sections at*
 7 *the beginning of such chapter is amended by inserting after*
 8 *the item relating to section 2687 the following new item:*

“2688. *Utility systems: permanent conveyance authority.*”.

9 ***TITLE III—ENVIRONMENTAL***
 10 ***REFORMS***

11 ***Subtitle A—Superfund Reforms***
 12 ***Generally***

13 ***SEC. 301. REVISION OF METHODS OF REMEDIATION.***

14 *Section 121(b) of the Comprehensive Environmental*
 15 *Response, Compensation, and Liability Act of 1980 (42*
 16 *U.S.C. 9621(b)) is amended by striking out paragraphs (1)*
 17 *and (2) and inserting in lieu thereof the following:*

18 “(1) *METHODS OF REMEDIATION.*—(A) *Remedies*
 19 *selected at individual facilities shall be protective of*
 20 *human health and the environment over the long*
 21 *term. A remedial action may achieve protection of*
 22 *human health and the environment through—*

23 “(i) *treatment that reduces the toxicity, mo-*
 24 *bility, or volume of hazardous substances, pollut-*
 25 *ants, or contaminants;*

1 “(i) containment or other engineering con-
2 trols to limit exposure;

3 “(iii) a combination of treatment and con-
4 tainment; or

5 “(iv) other methods of protection.

6 “(B) The method or methods of remediation ap-
7 propriate for a given facility shall be determined
8 through the evaluation of remedial alternatives and
9 the selection process under paragraph (2). When de-
10 termining the appropriate remedial method, treat-
11 ment is to be preferred for hot spots as defined under
12 paragraph (2)(C).

13 “(2) APPROPRIATE REMEDIAL ACTION.—

14 “(A) IN GENERAL.—The President shall
15 identify and select an appropriate remedy that
16 minimizes exposures by comparing alternative
17 remedies and balancing the following factors
18 with respect to each such remedy:

19 “(i) The effectiveness of the remedy, in-
20 cluding its implementability.

21 “(ii) The long-term reliability of the
22 remedy, that is, its capability to achieve
23 long-term protection of human health and
24 the environment considering the preference
25 for treatment of hot spots.

1 “(iii) *The short-term risk posed by the*
2 *implementation of the remedy to the affected*
3 *community, to those engaged in the cleanup*
4 *effort, and to the environment.*

5 “(iv) *The acceptability of the remedy*
6 *to the affected community.*

7 “(v) *The reasonableness of the cost of*
8 *the remedy.*

9 “(vi) *The results of any risk assess-*
10 *ments conducted with respect to the remedy.*

11 “(vii) *The costs, both direct and indi-*
12 *rect, of the remedy.*

13 “(B) *DEFERRAL OF REMEDIAL ACTION.—*
14 *The President may defer the selection of a reme-*
15 *dial action if the President determines that—*

16 “(i) *the hazardous substance, pollutant,*
17 *or contaminant can be contained in a man-*
18 *ner sufficient to protect human health and*
19 *the environment; and*

20 “(ii) *an innovative technology is ex-*
21 *pected to be available in the near future*
22 *that will provide a more cost-effective*
23 *remedy.*

24 “(C) *HOT SPOTS.—The following shall*
25 *apply to the remediation of hot spots:*

1 “(i) For purposes of this section, the
2 term ‘hot spot’ means a discrete area within
3 a facility that contains hazardous sub-
4 stances, pollutants or contaminants (I) that
5 are present in high concentrations, are
6 highly mobile, and cannot be reliably con-
7 tained; or (II) that would present a signifi-
8 cant risk to human health or the environ-
9 ment. The President shall develop guidelines
10 for the identification of hot spots. Such
11 guidelines shall recommend appropriate
12 field investigations that will not require ex-
13 traordinarily complex or costly measures.

14 “(ii) In determining an appropriate
15 remedy for hot spots, the President shall
16 consider the factors under subparagraph
17 (A). With respect to the factor in clause (v)
18 of subparagraph (A), the President shall use
19 a higher threshold for evaluating the reason-
20 ableness of costs for hot spot treatment rel-
21 ative to the remediation of non-hot spot
22 materials.

23 “(iii) The President shall select a rem-
24 edy requiring treatment of materials con-
25 stituting hot spots to the maximum extent

1 *practicable, consistent with the protection of*
2 *human health and the environment. In such*
3 *instances, the President shall select an in-*
4 *terim containment remedy for such hot spot*
5 *subject to adequate monitoring and public*
6 *reporting to ensure its continued integrity*
7 *and shall review the interim containment*
8 *remedy in accordance with subsection (c).*
9 *When the appropriate treatment technology*
10 *becomes available, as determined by the*
11 *President, that remedy shall be considered*
12 *in accordance with this section.*

13 *“(iv) Notwithstanding the presence of a*
14 *hot spot, the President may select a final*
15 *containment remedy for hot spots at land-*
16 *fills and mining sites or similar facilities*
17 *under the following circumstances:*

18 *“(I) The hot spot is small relative*
19 *to the overall volume of waste or con-*
20 *tamination being addressed, the hot*
21 *spot is not readily identifiable and ac-*
22 *cessible, and without the presence of the*
23 *hot spot containment would have been*
24 *selected as the appropriate remedy*
25 *under subparagraph (A) for the larger*

1 *body of waste or area of contamination*
2 *in which the hot spot is located.*

3 *“(II) The volume and a real ex-*
4 *tent of the hot spot is extraordinary*
5 *compared to other facilities, and it is*
6 *highly unlikely due to the size and*
7 *other characteristics of the hot spot*
8 *that any treatment technology will be*
9 *developed that could be implemented at*
10 *reasonable cost.*

11 *Where final containment for a hot spot is selected, the*
12 *President shall publish an explanation of the basis for*
13 *that decision.*

14 *“(3) GENERIC REMEDIES.—In order to stream-*
15 *line the remedy selection process and to facilitate*
16 *rapid voluntary action, the President shall establish,*
17 *taking into account the reasonably anticipated future*
18 *land uses at the facility and the factors enumerated*
19 *in paragraph (1)(A)(i), cost-effective generic remedies*
20 *for categories of facilities, and expedited procedures*
21 *that include community involvement for selecting ge-*
22 *neric remedies at an individual facility. To be eligible*
23 *for selection at a facility, a generic remedy shall be*
24 *protective of human health and the environment at*
25 *that facility. In appropriate cases, the President may*

1 *select a generic remedy without considering alter-*
2 *natives to the generic remedy.*

3 “(4) *INSTITUTIONAL CONTROLS.*—Whenever the
4 *President selects a remedial action which relies on re-*
5 *strictions on the use of land, water, or other resources*
6 *to achieve protection of human health and the envi-*
7 *ronment, the President shall specify the nature of the*
8 *restrictions required to achieve such protections, in-*
9 *cluding restrictions on the permissible uses of land,*
10 *prohibitions on specified activities upon the property,*
11 *restrictions on the drilling of wells or the use of*
12 *ground water, or restrictions on the use of surface*
13 *water, and may ensure that such restrictions are in-*
14 *corporated into a hazardous substance easement. In*
15 *reviewing remedial action alternatives which would*
16 *require the use of such restrictions and providing op-*
17 *portunity for public comment on those alterations, the*
18 *President shall identify the nature of any institu-*
19 *tional controls that would be required to implement*
20 *such restrictions, known or anticipated affected per-*
21 *sons, the likely duration of such restrictions, and the*
22 *anticipated costs of acquiring any appropriate haz-*
23 *ardous substance easements and enforcing the appro-*
24 *priate restrictions.”.*

1 **SEC. 302. REQUIREMENT TO CONSIDER REASONABLY AN-**
2 **TICIPATED FUTURE LAND USE.**

3 *Section 121(b) of the Comprehensive Environmental*
4 *Response, Compensation, and Liability Act of 1980 (42*
5 *U.S.C. 9621(b)) is further amended by adding at the end*
6 *the following:*

7 *“(5) LAND USE.—(A) Before selecting a remedy*
8 *under subsection (a), the President shall identify the*
9 *reasonably anticipated future uses of land at a facil-*
10 *ity as required by this Act. In identifying reasonably*
11 *anticipated future land uses, the President shall con-*
12 *sider factors that include the factors listed in sub-*
13 *paragraph (B). In the case of a military installation*
14 *that is not scheduled for closure or realignment, the*
15 *President shall consider such factors to the maximum*
16 *extent practicable.*

17 *“(B) The factors referred to in subparagraph (A)*
18 *are as follows:*

19 *“(i) Views expressed by members of the af-*
20 *ected community.*

21 *“(ii) With respect to a Federal facility*
22 *scheduled for closure or a portion of a Federal*
23 *facility scheduled for transfer from the ownership*
24 *or control of the Federal Government to another*
25 *entity, any joint consensus recommendation of a*
26 *technical review committee established for a fa-*

1 *cility of the Department of Defense pursuant to*
2 *section 2705(c) of title 10, United States Code,*
3 *a restoration advisory board established for such*
4 *a facility pursuant to section 2705(d) of such*
5 *title, a local land use redevelopment authority,*
6 *and another appropriate State agency, or, with*
7 *respect to a defense nuclear facility of the De-*
8 *partment of Energy, a citizen advisory board.*

9 *“(iii) The land use history of the facility*
10 *and surrounding properties, the current land*
11 *uses of the facility and surrounding properties,*
12 *recent development patterns in the area where*
13 *the facility is located, and population projections*
14 *for that area.*

15 *“(iv) Federal or State land use designa-*
16 *tions, including Federal facilities and national*
17 *parks, State ground water or surface water re-*
18 *charge areas established under a State’s com-*
19 *prehensive protection plan for ground water or*
20 *surface water, and recreational areas.*

21 *“(v) The current land use zoning and future*
22 *land use plans of the local government with land*
23 *use regulatory authority.*

24 *“(vi) The potential for economic redevelo-*
25 *ment.*

1 “(vii) *The proximity of the contamination*
2 *to residences, sensitive populations or ecosystems,*
3 *natural resources, or areas of unique historic or*
4 *cultural significance.*

5 “(viii) *Current plans for the facility by the*
6 *property owner or owners, not including poten-*
7 *tial voluntary remedial measures.”.*

8 **SEC. 303. LIMITATION ON CRIMINAL LIABILITY OF FEDERAL**
9 **OFFICERS, EMPLOYEES, AND AGENTS.**

10 *Section 120 of the Comprehensive Environmental Re-*
11 *sponse, Compensation, and Liability Act of 1980 (42 U.S.C.*
12 *9620) is amended by adding at the end the following:*

13 “(k) *CRIMINAL LIABILITY.—Notwithstanding any*
14 *other provision of this Act or any other law, an officer, em-*
15 *ployee, or agent of the United States shall not be held crimi-*
16 *nally liable for a failure to comply, in any fiscal year, with*
17 *a requirement to take a response action at a facility that*
18 *is owned or operated by a department, agency, or instru-*
19 *mentality of the United States, under this Act, the Solid*
20 *Waste Disposal Act (42 U.S.C. 6901 et seq.), or any other*
21 *Federal or State law unless—*

22 “(1) *the officer, employee, or agent has not fully*
23 *performed any direct responsibility or delegated re-*
24 *sponsibility that the officer, employee, or agent had*
25 *under Executive Order 12088 (42 U.S.C. 4321 note)*

1 or any other delegation of authority to ensure that a
2 request for funds sufficient to take the response action
3 was included in the President’s budget request under
4 section 1105 of title 31, United States Code, for that
5 fiscal year; or

6 “(2) appropriated funds were available to pay
7 for the response action.”.

8 **SEC. 304. STATE ROLE AT FEDERAL FACILITIES.**

9 Subsection (g) of section 120 of the Comprehensive En-
10 vironmental Response, Compensation, and Liability Act of
11 1980 (42 U.S.C. 9620) is amended to read as follows:

12 “(g) *TRANSFER OF AUTHORITIES.*—

13 “(1) *STATE APPLICATION FOR TRANSFER OF AU-*
14 *THORITIES.*—A State may apply to the Adminis-
15 trator to exercise the authorities vested in the Admin-
16 istrator under subsections (e) and (h) (other than sub-
17 section (h)(2)) of this section at any or all facilities
18 owned or operated by any department, agency, or in-
19 strumentality of the United States (including the ex-
20 ecutive, legislative, and judicial branches of govern-
21 ment), including the authority—

22 “(A) to review and approve all documents
23 prepared in connection with any such investiga-
24 tion and study;

1 “(B) to review and select remedies pursuant
2 to subsection (e)(4)(A); and

3 “(C) to enter into agreements with depart-
4 ments, agencies, and instrumentalities of the
5 United States in accordance with subsection
6 (e)(2), and to enter into consent decrees with
7 other potentially responsible parties in accord-
8 ance with subsection (e)(6).

9 “(2) TRANSFER OF AUTHORITIES.—(A) The Ad-
10 ministrator may enter into a contract or cooperative
11 agreement to transfer some or all of the authorities
12 described in paragraph (1) if the Administrator
13 makes the determinations in subparagraph (B) and
14 the State agrees to the conditions in subparagraph
15 (C).

16 “(B) The determinations to be made by the Ad-
17 ministrator under subparagraph (A) are the follow-
18 ing:

19 “(i) The State has the ability to exercise
20 such authorities in accordance with this Act, in-
21 cluding adequate legal authority, financial and
22 personnel resources, organization, and expertise.

23 “(ii) The State demonstrates experience in
24 exercising similar authorities.

1 “(C) *The conditions to be agreed to by the State*
2 *under subparagraph (A) are the following:*

3 “(i) *The State will not redelegate any of the*
4 *authorities transferred to it by the Adminis-*
5 *trator, except as provided in the transfer agree-*
6 *ment.*

7 “(ii) *In the case of a State that is author-*
8 *ized to implement a State hazardous waste pro-*
9 *gram pursuant to section 3006 of the Solid*
10 *Waste Disposal Act (42 U.S.C. 6926), the State*
11 *will not exercise the authorities under that Act*
12 *at the same time and at the same site as it exer-*
13 *cises the authorities transferred to it under this*
14 *subsection, with respect to a release or threat of*
15 *release being addressed by the authorities trans-*
16 *ferred to it.*

17 “(iii) *The State will exercise the authorities*
18 *transferred to it with respect to each department,*
19 *agency, and instrumentality of the United States*
20 *in the same manner and to the same extent, both*
21 *procedurally and substantively, as it exercises*
22 *the authorities with respect to any non-Federal*
23 *entity.*

24 “(3) *EFFECT OF AUTHORIZATION UNDER SOLID*
25 *WASTE DISPOSAL ACT.—In the review by the Admin-*

1 *istrator of an application of a State for transfer of*
2 *authorities under this subsection, if the State is au-*
3 *thorized to implement a State hazardous waste pro-*
4 *gram pursuant to section 3006 of the Solid Waste*
5 *Disposal Act (42 U.S.C. 6926), the following provi-*
6 *sions apply:*

7 *“(A) With respect to a State that is a signa-*
8 *tory to an interagency agreement under sub-*
9 *section (e)(2) that is in effect on the effective date*
10 *of this subsection, the Administrator, in making*
11 *the determinations referred to in paragraph (2),*
12 *shall accord substantial weight to the State’s*
13 *hazardous waste program authorization and the*
14 *Administrator’s findings in approving such au-*
15 *thorization.*

16 *“(B) With respect to a State whose author-*
17 *ization under such section 3006 includes author-*
18 *ization to implement the corrective action provi-*
19 *sions of the Solid Waste Disposal Act, the Ad-*
20 *ministrator shall approve the application and*
21 *provide for the orderly transfer of authorities as*
22 *expeditiously as possible, but in no case later*
23 *than 6 months after the date of receipt of the ap-*
24 *plication, unless the parties agree to another*
25 *deadline.*

1 “(4) *EFFECT OF TRANSFER.*—Any State to
2 *which authorities are transferred under this sub-*
3 *section shall not be deemed to be an agent of the*
4 *President but shall exercise such authorities in its*
5 *own name, and the Administrator may transfer to a*
6 *State only those authorities of the Administrator*
7 *identified in this subsection.*

8 “(5) *DEADLINES.*—Except as provided in para-
9 *graph (3)(B), the Administrator shall make a deter-*
10 *mination on an application from a State under this*
11 *subsection not later than 90 days after the date the*
12 *Administrator receives the application.*

13 “(6) *WITHDRAWAL OF AUTHORITIES.*—

14 “(A) *IN GENERAL.*—The Administrator
15 *may withdraw the authorities transferred under*
16 *this subsection in whole or in part if the Admin-*
17 *istrator determines—*

18 “(i) *that the State, in whole or in part,*
19 *is exercising such authorities in a manner*
20 *clearly inconsistent with the requirements of*
21 *this Act; or*

22 “(ii) *in the case of a State that was*
23 *approved under paragraph (3)(B), that the*
24 *State is no longer authorized to implement*

1 *the corrective action provisions of the Solid*
2 *Waste Disposal Act.*

3 “(B) *REQUIREMENT OF WRITTEN NOTICE.*—
4 *At least 90 days before withdrawing any such*
5 *transferred authorities from a State, the Admin-*
6 *istrator shall provide to the State a written ex-*
7 *planation of the reasons for the proposed with-*
8 *drawal and afford an opportunity to the State*
9 *to discuss the withdrawal and to propose actions*
10 *to correct any deficiencies.*

11 “(7) *ENFORCEMENT AND REMEDY SELECTION.*—
12 “(A) *IN GENERAL.*—*An interagency agree-*
13 *ment under this section between a State (includ-*
14 *ing States which are parties to such agreements*
15 *through the exercise of the Administrator’s au-*
16 *thorities pursuant to a cooperative agreement or*
17 *contract under this subsection) and any depart-*
18 *ment, agency, or instrumentality of the United*
19 *States, shall be enforceable by the State or the*
20 *Federal department, agency, or instrumentality*
21 *in the United States district court for the district*
22 *in which the facility is located. The district court*
23 *shall have the jurisdiction to enforce compliance*
24 *with any provision, standard, regulation, condi-*
25 *tion, requirement, order, or final determination*

1 *which has become effective under such agreement,*
2 *and to impose any appropriate civil penalty*
3 *provided for any violation of the agreement, not*
4 *to exceed \$25,000 per day.*

5 “(B) *FAILURE TO CONCUR IN REMEDY SE-*
6 *LECTION.—*

7 “(i) *IN GENERAL.—At Federal facili-*
8 *ties where the Administrator’s authorities*
9 *under subsection (e)(4) have been trans-*
10 *ferred to the State pursuant to this section,*
11 *and the State does not concur in the remedy*
12 *selection proposed by the Federal agency,*
13 *the parties shall enter into dispute resolu-*
14 *tion as provided in the interagency agree-*
15 *ment, provided that the final level for such*
16 *disputes concerning remedy selection shall*
17 *be to the head of the Federal department,*
18 *agency, or instrumentality and the Gov-*
19 *ernor of the State.*

20 “(ii) *STATE REMEDY SELECTION.—If*
21 *no agreement is reached between the head of*
22 *the Federal department, agency, or instru-*
23 *mentality and the Governor, the State may*
24 *issue the final determination, except that*
25 *the State shall pay or assure the payment*

1 of any additional costs attributable to car-
2 rying out the remedial action selected by the
3 State.

4 “(8) *LIMITATION.*—*Except for authorities that*
5 *are transferred by the Administrator to a State pur-*
6 *suant to this subsection, or that are transferred by the*
7 *Administrator to an officer or employee of the Envi-*
8 *ronmental Protection Agency, no authority vested in*
9 *the Administrator under this section may be trans-*
10 *ferred, by Executive order of the President or other-*
11 *wise, to any other officer or employee of the United*
12 *States or to any other person. Except as necessary to*
13 *specifically implement the transfer of the Administra-*
14 *tor’s authorities to a State pursuant to this sub-*
15 *section, nothing in this subsection shall be construed*
16 *as altering, modifying, or impairing in any manner,*
17 *or authorizing the unilateral modification of, any*
18 *terms of any agreement, permit, administrative, or*
19 *judicial order, decree, or interagency agreement exist-*
20 *ing on the effective date of this subsection. Any other*
21 *modifications or revisions of an interagency agree-*
22 *ment entered into under this section shall require the*
23 *consent of all parties to such agreement, and absent*
24 *such consent the agreement shall remain unchanged.*
25 *Nothing in this subsection shall affect the exercise by*

1 *a State of any other authorities that may be applica-*
2 *ble to facilities in such State.”.*

3 ***Subtitle B—Superfund and Other***
4 ***Environmental Law Reforms Ap-***
5 ***plicable to Department of De-***
6 ***fense or Department of Energy***

7 ***SEC. 311. STANDARDS FOR REMEDIAL ACTIONS CON-***
8 ***DUCTED AT DEFENSE FACILITIES NOT ON***
9 ***THE NATIONAL PRIORITIES LIST.***

10 *Section 2701(c) of title 10, United States Code, is*
11 *amended by adding at the end the following new paragraph:*

12 *“(4) EXEMPTION OF REMEDIAL ACTIONS CON-*
13 *DUCTED AT FACILITIES NOT LISTED ON THE NA-*
14 *TIONAL PRIORITIES LIST FROM CERTAIN REQUIRE-*
15 *MENT.—Notwithstanding subsection (a)(2) and para-*
16 *graph (1) of this subsection, the requirement of section*
17 *121(d)(2) of CERCLA (42 U.S.C. 9621(d)(2)) relat-*
18 *ing to the attainment of a relevant and appropriate*
19 *standard, requirement, criteria, or limitation shall*
20 *not apply to a remedial action conducted at a facility*
21 *under the jurisdiction of the Secretary of Defense if*
22 *the facility is not listed on the National Priorities*
23 *List under CERCLA.”.*

1 **SEC. 312. AUTHORITY OF SECRETARY OF DEFENSE AND**
2 **SECRETARY OF ENERGY TO TERMINATE**
3 **LONG-TERM OPERATION AND MAINTENANCE**
4 **OF REMEDIAL ACTIONS AND CORRECTIVE**
5 **ACTIONS.**

6 (a) *REMEDIAL ACTIONS.*—Section 120 of the Com-
7 prehensive Environmental Response, Compensation, and
8 Liability Act of 1980 (42 U.S.C. 9621), as amended by sec-
9 tion 303, is further amended by adding at the end the fol-
10 lowing new subsection:

11 “(l) *TERMINATION OF LONG-TERM OPERATION AND*
12 *MAINTENANCE.*—The Secretary of Defense, with respect to
13 any site or facility of the Department of Defense, and the
14 Secretary of Energy, with respect to any site or facility of
15 the Department of Energy, may terminate the long-term op-
16 eration and maintenance of a completed remedial action
17 in any case in which the Secretary determines, with the
18 concurrence of the Administrator or appropriate State or
19 local authorities, that the release or threat of release of haz-
20 ardous substances, pollutants, or contaminants at the site
21 or facility is no longer a threat to human health and the
22 environment.”.

23 (b) *CORRECTIVE ACTIONS.*—Section 3004(u) of the
24 Solid Waste Disposal Act (42 U.S.C. 6924(u)) is amended
25 by adding at the end the following: “The Secretary of De-
26 fense, with respect to any site or facility of the Department

1 *of Defense, and the Secretary of Energy, with respect to any*
2 *site or facility of the Department of Energy, may terminate*
3 *the long-term operation and maintenance of a completed*
4 *corrective action in any case in which the Secretary deter-*
5 *mines, with the concurrence of the Administrator or appro-*
6 *priate State or local authorities, that the release of hazard-*
7 *ous waste or constituents at the site or facility is no longer*
8 *a threat to human health and the environment.”.*

9 **SEC. 313. NOTIFICATION TO CONGRESS OF COSTS OF DE-**
10 **PARTMENT OF ENERGY ENVIRONMENTAL**
11 **COMPLIANCE AGREEMENTS.**

12 (a) *NOTICE TO CONGRESS.—The Secretary of Energy*
13 *may not enter into an environmental compliance agree-*
14 *ment, or agree to a major modification of such an agree-*
15 *ment, until after the Secretary submits to Congress the fol-*
16 *lowing information with respect to the agreement or modi-*
17 *fication:*

18 (1) *The total cost of carrying out the agreement*
19 *or modification, and the total cost of other options*
20 *considered for carrying out the requirements that are*
21 *the subject of the agreement or modification.*

22 (2) *An estimate of the budget authority and out-*
23 *lays, by year, required while the agreement or modi-*
24 *fication is in effect.*

1 (3) *The projected cost of carrying out each mile-*
2 *stone in the agreement or modification, and the sched-*
3 *ule for the initiation of activities under each mile-*
4 *stone.*

5 (4) *An estimate of the monetary penalties that*
6 *may be assessed by the Environmental Protection*
7 *Agency or the State concerned against the Depart-*
8 *ment of Energy for failure to adhere to the terms of*
9 *the compliance agreement.*

10 (b) *DEFINITION.—In this section, the term “environ-*
11 *mental compliance agreement” means an interagency*
12 *agreement under section 120(e)(2) of the Comprehensive*
13 *Environmental Response, Compensation, and Liability Act*
14 *of 1980 (42 U.S.C. 9620(e)(2)) entered into by the Secretary*
15 *of Energy, the Administrator of the Environmental Protec-*
16 *tion Agency, and the State in which a facility of the De-*
17 *partment of Energy is located that provides for compliance*
18 *by the Department of Energy at that facility with the Com-*
19 *prehensive Environmental Response, Compensation, and*
20 *Liability Act of 1980 (42 U.S.C. 9061 et sec.).*

21 (c) *CALCULATION OF 90 DAYS.—For purposes of sub-*
22 *section (a), the continuity of a session of Congress is broken*
23 *only by an adjournment of the Congress sine die, and the*
24 *days on which either House is not in session because of an*

1 *adjournment of more than three days to a day certain are*
2 *excluded in the computation of the 90-day period.*

3 **SEC. 314. CLEAN AIR ACT STANDARDS FOR MILITARY**
4 **SOURCES.**

5 *(a) CONTINUED EFFECTIVENESS OF EXEMPTIONS.—*
6 *Any exemption described in subsection (b) for property*
7 *owned or operated by the Armed Forces that is in effect*
8 *on the date of the enactment of this Act shall remain in*
9 *effect with respect to any covered requirement that is adopt-*
10 *ed after such date of enactment.*

11 *(b) COVERED EXEMPTIONS.—Subsection (a) applies to*
12 *any exemption from a covered requirement that is issued—*

13 *(1) by the Administrator of the Environmental*
14 *Protection Agency pursuant to rulemaking authority*
15 *under the Clean Air Act (42 U.S.C. 7401 et seq.); or*

16 *(2) by a State in its State implementation plan*
17 *for that Act.*

18 *(c) COVERED REQUIREMENTS.—In this section, the*
19 *term “covered requirement” means a requirement referred*
20 *to in section 118(a) of the Clean Air Act (42 U.S.C.*
21 *7418(a)) that relates to ozone or particulate matter.*

1 **SEC. 315. AUTHORITY OF ADMINISTRATOR OF ENVIRON-**
2 **MENTAL PROTECTION AGENCY WITH RE-**
3 **SPECT TO APPLICATION OF SOLID WASTE**
4 **DISPOSAL ACT TO MILITARY MUNITIONS.**

5 *Section 3004(y) of the Solid Waste Disposal Act (42*
6 *U.S.C. 6924(y)) is amended—*

7 *(1) by redesignating paragraph (2) as para-*
8 *graph (3); and*

9 *(2) by inserting after paragraph (1) the follow-*
10 *ing:*

11 *“(2) The Administrator shall exempt unexpended mili-*
12 *tary munitions from regulation under this Act upon a find-*
13 *ing by the Administrator that such military munitions are*
14 *subject to management under another Federal law or regu-*
15 *lation and that such other federal law or regulation is suffi-*
16 *ciently protective of human health and the environment so*
17 *as to make additional regulations under this Act duplica-*
18 *tive or unnecessary.”.*

19 **TITLE IV—MISCELLANEOUS**
20 **ADDITIONAL DEFENSE REFORMS**

21 **SEC. 401. LONG-TERM CHARTER CONTRACTS FOR ACQUI-**
22 **SION OF AUXILIARY VESSELS FOR THE DE-**
23 **PARTMENT OF DEFENSE.**

24 *(a) PROGRAM AUTHORIZATION.—Chapter 631 of title*
25 *10, United States Code, is amended by adding at the end*
26 *the following new section:*

1 **“§ 7233. Auxiliary vessels: authority for long-term**
2 **charter contracts**

3 “(a) *AUTHORIZED CONTRACTS.*—After September 30,
4 1998, the Secretary of the Navy, subject to subsection (b),
5 may enter into a contract for the long-term lease or charter
6 of a newly built surface vessel, under which the contractor
7 agrees to provide a crew for the vessel for the term of the
8 long-term lease or charter, for any of the following:

9 “(1) *The combat logistics force of the Navy.*

10 “(2) *The strategic sealift program of the Navy.*

11 “(3) *Other auxiliary support vessels for the De-*
12 *partment of Defense.*

13 “(b) *CONTRACTS REQUIRED TO BE AUTHORIZED BY*
14 *LAW.*—A contract may be entered into under this section
15 with respect to specific vessels only if the Secretary is spe-
16 cifically authorized by law to enter into such a contract
17 with respect to those vessels.

18 “(c) *FUNDS FOR CONTRACT PAYMENTS.*—The Sec-
19 retary may make payments for contracts entered into under
20 this section using funds available for obligation during the
21 fiscal year for which the payments are required to be made.
22 Any such contract shall provide that the United States will
23 not be required to make a payment under the contract
24 (other than a termination payment, if required) before Oc-
25 tober 1, 2000.

1 “(d) *BUDGETING PROVISIONS.*—Any contract entered
2 into under this section shall be treated as a multiyear serv-
3 ice contract and as an operating lease for purposes of any
4 provision of law relating to the Federal budget and Federal
5 budget accounting procedures, including part C of title II
6 of the *Balanced Budget and Emergency Deficit Control Act*
7 of 1985 (2 U.S.C. 900 et seq.), and any regulation or direc-
8 tive (including any directive of the Office of Management
9 and Budget) prescribed with respect to the Federal budget
10 and Federal budget accounting procedures.

11 “(e) *TERM OF CONTRACT.*—In this section, the term
12 ‘long-term lease or charter’ means a lease, charter, service
13 contract, or conditional sale agreement with respect to a
14 vessel the term of which (including any option period) is
15 for a period of 20 years or more.

16 “(f) *OPTION TO BUY.*—A contract entered into under
17 the authority of this section may contain options for the
18 United States to purchase one or more of the vessels covered
19 by the contract at any time during, or at the end of, the
20 contract period (including any option period) upon pay-
21 ment of an amount not in excess of the unamortized portion
22 of the cost of the vessels plus amounts incurred in connec-
23 tion with the termination of the financing arrangements
24 associated with the vessels.

1 “(g) *DOMESTIC CONSTRUCTION.*—*The Secretary shall*
2 *require in any contract entered into under this section that*
3 *each vessel to which the contract applies—*

4 “(1) *shall have been constructed in a shipyard*
5 *within the United States; and*

6 “(2) *upon delivery, shall be documented under*
7 *the laws of the United States.*

8 “(h) *VESSEL CREWING.*—*The Secretary shall require*
9 *in any contract entered into under this section that the crew*
10 *of any vessel to which the contract applies be comprised*
11 *of private sector commercial mariners.*

12 “(i) *CONTINGENT WAIVER OF OTHER PROVISIONS OF*
13 *LAW.*—*A contract authorized by this section may be entered*
14 *into without regard to section 2401 or 2401a of this title*
15 *if the Secretary of Defense makes the following findings*
16 *with respect to that contract:*

17 “(1) *The need for the vessels or services to be pro-*
18 *vided under the contract is expected to remain sub-*
19 *stantially unchanged during the contemplated con-*
20 *tract or option period.*

21 “(2) *There is a reasonable expectation that*
22 *throughout the contemplated contract or option period*
23 *the Secretary of the Navy (or, if the contract is for*
24 *services to be provided to, and funded by, another*
25 *military department, the Secretary of that military*

1 department) will request funding for the contract at
2 the level required to avoid contract cancellation.

3 “(3) The use of such contract or the exercise of
4 such option is in the interest of the national defense.

5 “(j) *SOURCE OF FUNDS FOR TERMINATION LIABIL-*
6 *ITY.*—If a contract entered into under this section is termi-
7 nated, the costs of such termination may be paid from—

8 “(1) amounts originally made available for per-
9 formance of the contract;

10 “(2) amounts currently available for operation
11 and maintenance of the type of vessels or services con-
12 cerned and not otherwise obligated; or

13 “(3) funds appropriated for those costs.”.

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

 “7233. Auxiliary vessels: authority for long-term charter contracts.”.

17 **SEC. 402. FIBER-OPTICS BASED TELECOMMUNICATIONS**
18 **LINKAGE OF MILITARY INSTALLATIONS.**

19 (a) *INSTALLATION REQUIRED.*—In at least one metro-
20 politan area of the United States containing multiple mili-
21 tary installations of one or more military department or
22 Defense Agency, the Secretary of Defense shall provide for
23 the installation of fiber-optics based telecommunications
24 technology to link as many of the installations in the area
25 as practicable in a privately dedicated telecommunications

1 *network. The Secretary shall use a competitive process to*
2 *provide for the installation of the telecommunications net-*
3 *work through one or more new contracts.*

4 (b) *FEATURES OF NETWORK.—The telecommuni-*
5 *cations network shall provide direct access to local and long*
6 *distance telephone carriers, allow for transmission of both*
7 *classified and unclassified information, and take advantage*
8 *of the various capabilities of fiber-optics based tele-*
9 *communications technology.*

10 (c) *TIME FOR INSTALLATION.—The telecommuni-*
11 *cations network or networks to be installed under this sec-*
12 *tion shall be installed and operational not later than Sep-*
13 *tember 30, 1999.*

14 (d) *REPORT ON IMPLEMENTATION.—Not later than*
15 *March 1, 1998, the Secretary of Defense shall submit to the*
16 *congressional defense committees a report on the implemen-*
17 *tation of subsections (a) and (b), including the metropolitan*
18 *area or areas selected for the telecommunications network,*
19 *the estimated cost of the network, and potential areas for*
20 *the future use of such fiber-optics based telecommunications*
21 *technology.*

22 **SEC. 403. REPEAL OF REQUIREMENT FOR CONTRACTOR**
23 **GUARANTEES ON MAJOR WEAPON SYSTEMS.**

24 (a) *REPEAL.—Section 2403 of title 10, United States*
25 *Code, is repealed.*

1 (b) *CLERICAL AND CONFORMING AMENDMENTS.—(1)*
2 *The table of sections at the beginning of chapter 141 of such*
3 *title is amended by striking out the item relating to section*
4 *2403.*

5 (2) *Section 803 of the National Defense Authorization*
6 *Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat.*
7 *2604; 10 U.S.C. 2430 note) is amended—*

8 (A) *in subsection (a), by striking out “2403,”;*

9 (B) *by striking out subsection (c); and*

10 (C) *by redesignating subsection (d) as subsection*
11 *(c).*

12 **SEC. 404. REQUIREMENTS RELATING TO MICRO-PURCHASES**
13 **OF COMMERCIAL ITEMS.**

14 (a) *IN GENERAL.—Section 2304 of title 10, United*
15 *States Code, is amended by adding at the end the following*
16 *new subsection:*

17 “(l) *MICRO-PURCHASES.—(1) A contracting officer*
18 *may not award a contract or issue a purchase order to buy*
19 *commercial items for an amount equal to or less than the*
20 *micro-purchase threshold unless a member of the Senior*
21 *Executive Service or a general or flag officer makes a writ-*
22 *ten determination that—*

23 “(A) *the source or sources available for the com-*
24 *mmercial item do not accept a preferred micro-purchase*

1 *method, and the contracting officer is seeking a source*
2 *that does accept such a method; or*

3 “(B) *the nature of the commercial item neces-*
4 *sitates a contract or purchase order so that terms and*
5 *conditions can be specified.*

6 “(2) *In this subsection:*

7 “(A) *The term ‘micro-purchase threshold’ has the*
8 *meaning provided in section 32 of the Office of Fed-*
9 *eral Procurement Policy Act (41 U.S.C. 428).*

10 “(B) *The term ‘preferred micro-purchase method’*
11 *means the use of the Government-wide commercial*
12 *purchase card or any other method for carrying out*
13 *micro-purchases that Secretary of Defense prescribes*
14 *in the regulations implementing this subsection.*

15 “(3) *The Secretary of Defense shall prescribe regula-*
16 *tions to implement this subsection. The regulations shall in-*
17 *clude such additional preferred methods of carrying out*
18 *micro-purchases, and such exceptions to the requirement of*
19 *paragraph (1), as the Secretary considers appropriate.”.*

20 (b) *EFFECTIVE DATE.*—*Subsection (l) of section 2304*
21 *of title 10, United States Code, as added by subsection (a),*
22 *shall apply with respect to micro-purchases made on or*
23 *after October 1, 1997.*

1 **SEC. 405. AVAILABILITY OF SIMPLIFIED PROCEDURES TO**
2 **COMMERCIAL ITEM PROCUREMENTS.**

3 (a) *ARMED SERVICES ACQUISITIONS.*—Section
4 2304(g) of title 10, United States Code, is amended in para-
5 graph (1)(B) by striking out “only”.

6 (b) *CIVILIAN AGENCY ACQUISITIONS.*—Section 303(g)
7 of the Federal Property and Administrative Services Act
8 of 1949 (41 U.S.C. 253(g)) is amended in paragraph (1)(B)
9 by striking out “only”.

10 **SEC. 406. TERMINATION OF THE ARMED SERVICES PATENT**
11 **ADVISORY BOARD.**

12 (a) *TERMINATION OF BOARD.*—The organization with-
13 in the Department of Defense known as the Armed Services
14 Patent Advisory Board is terminated. No funds available
15 for the Department of Defense may be used for the operation
16 of that Board after the date specified in subsection (c).

17 (b) *TRANSFER OF FUNCTIONS.*—All functions per-
18 formed on the day before the date of the enactment of this
19 Act by the Armed Services Patent Advisory Board (includ-
20 ing performance of the responsibilities of the Department
21 of Defense for security review of patent applications under
22 chapter 17 of title 35, United States Code) shall be trans-
23 ferred to the Defense Technology Security Administration.

24 (c) *EFFECTIVE DATE.*—Subsection (a) shall take effect
25 at the end of the 120-day period beginning on the date of
26 the enactment of this Act.

1 **SEC. 407. COORDINATION OF DEPARTMENT OF DEFENSE**
2 **CRIMINAL INVESTIGATIONS AND AUDITS.**

3 (a) *BOARD ON CRIMINAL INVESTIGATIONS.*—Chapter
4 7 of title 10, United States Code, is amended by adding
5 at the end the following new section:

6 **“§ 182. Board on Criminal Investigations**

7 “(a) *ESTABLISHMENT.*—(1) *There is in the Depart-*
8 *ment of Defense a Board on Criminal Investigations. The*
9 *Board consists of the following officials:*

10 “(A) *The Assistant Secretary of Defense for Com-*
11 *mand, Control, Communications, and Intelligence.*

12 “(B) *The head of the Army Criminal Investiga-*
13 *tion Command.*

14 “(C) *The head of the Naval Criminal Investiga-*
15 *tive Service.*

16 “(D) *The head of the Air Force Office of Special*
17 *Investigations.*

18 “(2) *To ensure cooperation between the military de-*
19 *partment criminal investigative organizations and the De-*
20 *fense Criminal Investigative Service, the Inspector General*
21 *of the Department of Defense shall serve as a nonvoting*
22 *member of the Board.*

23 “(b) *FUNCTIONS OF BOARD.*—*The Board shall provide*
24 *for coordination and cooperation between the military de-*
25 *partment criminal investigative organizations so as to*
26 *avoid duplication of effort and minimize resources available*

1 to the military department criminal investigative
2 organizations.

3 “(c) *REGIONAL WORKING GROUPS.*—*The Board shall*
4 *establish working groups at the regional level to address and*
5 *resolve issues of jurisdictional responsibility that may arise*
6 *regarding criminal investigations involving a military*
7 *department criminal investigative organization. A working*
8 *group shall consist of managers or supervisors of the mili-*
9 *tary department criminal investigative organizations who*
10 *have the authority to make binding decisions regarding*
11 *which organization will conduct a particular criminal in-*
12 *vestigation or whether a criminal investigation should be*
13 *conducted jointly.*

14 “(d) *AUTHORITY OF ASSISTANT SECRETARY.*—*In the*
15 *event that a regional working group or the Board is unable*
16 *to resolve an issue of investigative responsibility, the Assist-*
17 *ant Secretary of Defense for Command, Control, Commu-*
18 *nications, and Intelligence shall have the responsibility to*
19 *make a final determination regarding the issue.*

20 “(e) *MILITARY DEPARTMENT CRIMINAL INVESTIGA-*
21 *TIVE ORGANIZATION DEFINED.*—*In this section, the term*
22 *‘military department criminal investigative organization’*
23 *means any of the following:*

24 “(1) *The Army Criminal Investigation Com-*
25 *mand.*

1 “(2) *The Naval Criminal Investigative Service.*

2 “(3) *The Air Force Office of Special Investiga-*
3 *tions.*”.

4 (b) *BOARD ON AUDITS.*—*Such chapter is further*
5 *amended by inserting after section 182, as added by sub-*
6 *section (a), the following new section:*

7 “**§ 183. Board on Audits**

8 “(a) *ESTABLISHMENT.*—(1) *There is in the Depart-*
9 *ment of Defense a Board on Audits. The Board consists of*
10 *the following officials:*

11 “(A) *The Under Secretary of Defense (Comptrol-*
12 *ler).*

13 “(B) *The Auditor General of the Army.*

14 “(C) *The Auditor General of the Navy.*

15 “(D) *The Auditor General of the Air Force.*

16 “(E) *The director of the Defense Contract Audit*
17 *Agency.*

18 “(2) *To ensure cooperation between the defense audit-*
19 *ing organizations and the Office of the Inspector General*
20 *of the Department of Defense, the Inspector General of the*
21 *Department of Defense shall serve as a nonvoting member*
22 *of the Board.*

23 “(b) *FUNCTIONS OF BOARD.*—*The Board shall provide*
24 *for coordination and cooperation between the defense audit-*
25 *ing organizations so as to avoid duplication of effort and*

1 *maximize resources available to the defense auditing orga-*
2 *nization.*

3 “(c) *REGIONAL WORKING GROUPS.—The Board shall*
4 *establish working groups at the regional level to address and*
5 *resolve issues of jurisdictional responsibility that may arise*
6 *regarding audits involving a defense auditing organization.*
7 *A working group shall consist of managers or supervisors*
8 *of the defense auditing organizations who have the author-*
9 *ity to make binding decisions regarding which defense au-*
10 *diting organization will conduct a particular audit or*
11 *whether an audit should be conducted jointly.*

12 “(d) *AUTHORITY OF UNDER SECRETARY OF DEFENSE*
13 *(COMPTROLLER).—In the event that a regional working*
14 *group or the Board is unable to resolve an issue of jurisdic-*
15 *tional responsibility, the Under Secretary of Defense*
16 *(Comptroller) shall have the responsibility to make a final*
17 *determination regarding the issue.*

18 “(e) *DEFENSE AUDITING ORGANIZATION DEFINED.—*
19 *In this section, the term ‘defense auditing organization’*
20 *means any of the following:*

21 “(1) *The Army Audit Agency.*

22 “(2) *The Naval Audit Service.*

23 “(3) *The Air Force Audit Agency.*

24 “(4) *The Defense Contract Audit Agency.”.*

1 (c) *WORKING GUIDANCE.*—Not later than December
 2 31, 1997, the Secretary of Defense shall prescribe such poli-
 3 cies as may be necessary for the operation of the Board on
 4 Criminal Investigations and the Board on Audits estab-
 5 lished pursuant to the amendments made by this section.

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

“182. Board on Criminal Investigations.

“183. Board on Audits.”.

9 **SEC. 408. DEPARTMENT OF DEFENSE BOARDS, COMMIS-**
 10 **SIONS, AND ADVISORY COMMITTEES.**

11 (a) *TERMINATION OF EXISTING ADVISORY COMMIT-*
 12 *TEES.*—(1) Effective December 31, 1998, any advisory com-
 13 mittee established in, or administered or funded (in whole
 14 or in part) by, the Department of Defense that (A) is in
 15 existence on the day before the date of the enactment of this
 16 Act, and (B) was not established by law, or expressly con-
 17 tinued by law, after January 1, 1995, is terminated.

18 (2) For purposes of this section, the term “advisory
 19 committee” means an entity that is subject to the provisions
 20 of the Federal Advisory Committee Act (5 U.S.C. App.).

21 (b) *REPORT ON COMMITTEES FOR WHICH CONTINU-*
 22 *ATION IS REQUESTED.*—Not later than March 1, 1998, the
 23 Secretary of Defense shall submit to Congress a report set-
 24 ting forth those advisory committees subject to subsection

1 (a) that the Secretary proposes to continue. The Secretary
2 shall include in the report, for each such committee, the jus-
3 tification for continuing the committee and a statement of
4 the costs of such continuation over the next four fiscal years.
5 The Secretary shall include in the report a proposal for any
6 legislation that may be required for the continuations pro-
7 posed in the report.

8 (c) *POLICY FOR FUTURE DOD ADVISORY COMMIT-*
9 *TEES.*—(1) Chapter 7 of title 10, United States Code, is
10 amended by inserting after section 183, as added by section
11 407(b), the following new section:

12 **“§ 184. Boards, commissions, and other advisory com-**
13 **mittees: limitations**

14 “(a) *LIMITATION ON ESTABLISHMENT.*—No advisory
15 committee may be established in, or administered or funded
16 (in whole or in part) by, the Department of Defense except
17 as specifically provided by law after the date of the enact-
18 ment of this section.

19 “(b) *TERMINATION OF ADVISORY COMMITTEES.*—Each
20 advisory committee of the Department of Defense (whether
21 established by law, by the President, or by the Secretary
22 of Defense) shall terminate not later than the expiration
23 of the four-year period beginning on the date of its establish-
24 ment or on the date of the most recent continuation of the
25 advisory committee by law.

1 “(c) *EXCEPTION FOR TEMPORARY ADVISORY COMMIT-*
2 *TEES.*—*Subsection (a) does not apply to an advisory com-*
3 *mittee established for a period of one year or less for the*
4 *purpose (as set forth in the charter of the advisory commit-*
5 *tee) of examining a matter that is critical to the national*
6 *security of the United States.*

7 “(d) *ANNUAL REPORT.*—*Not later than March 1 of*
8 *each year (beginning in 1999), the Secretary of Defense*
9 *shall submit to Congress a report on advisory committees*
10 *of the Department of Defense. In each such report, the Sec-*
11 *retary shall identify each advisory committee that the Sec-*
12 *retary proposes to support during the next fiscal year and*
13 *shall set forth the justification for each such committee and*
14 *the projected costs for that committee for the next fiscal*
15 *year. In the case of any advisory committee that is to termi-*
16 *nate in the year following the year in which the report is*
17 *submitted pursuant to subsection (b) and that the Secretary*
18 *proposes be continued by law, the Secretary shall include*
19 *in the report a request for continuation of the committee*
20 *and a justification and cost estimate for such continuation.*

21 “(e) *ADVISORY COMMITTEE DEFINED.*—*In this sec-*
22 *tion, the term ‘advisory committee’ means an entity that*
23 *is subject to the provisions of the Federal Advisory Commit-*
24 *tee Act (5 U.S.C. App.).”.*

1 (2) *The table of sections at the beginning of such chap-*
2 *ter is amended by inserting after the item relating to section*
3 *183, as added by section 407(d), the following new item:*

“184. Boards, commissions, and other advisory committees: limitations.”.

4 **TITLE V—COMMISSION ON DE-**
5 **FENSE ORGANIZATION AND**
6 **STREAMLINING**

7 **SEC. 501. ESTABLISHMENT OF COMMISSION.**

8 (a) *ESTABLISHMENT.*—*There is hereby established a*
9 *commission to be known as the “Commission on Defense*
10 *Organization and Streamlining” (hereinafter in this title*
11 *referred to as the “Commission”).*

12 (b) *COMPOSITION.*—*The Commission shall be composed*
13 *of nine members, appointed as follows:*

14 (1) *Two members shall be appointed by the*
15 *chairman of the Committee on National Security of*
16 *the House of Representatives.*

17 (2) *Two members shall be appointed by the rank-*
18 *ing minority party member of the Committee on Na-*
19 *tional Security of the House of Representatives.*

20 (3) *Two members shall be appointed by the*
21 *chairman of the Committee on Armed Services of the*
22 *Senate.*

23 (4) *Two members shall be appointed by the rank-*
24 *ing minority party member of the Committee on*
25 *Armed Services of the Senate.*

1 (5) *One member, who shall serve as chairman of*
2 *the Commission, shall be appointed by at least three*
3 *of the Members of Congress referred to in paragraphs*
4 *(1) through (4) acting jointly.*

5 (c) *QUALIFICATIONS.—Members of the Commission*
6 *shall be appointed from among private United States citi-*
7 *zens with knowledge and expertise in organization and*
8 *management matters.*

9 (d) *PERIOD OF APPOINTMENT; VACANCIES.—Members*
10 *shall be appointed for the life of the Commission. Any va-*
11 *cancy in the Commission shall be filled in the same manner*
12 *as the original appointment.*

13 (e) *INITIAL ORGANIZATION REQUIREMENTS.—(1) All*
14 *appointments to the Commission shall be made not later*
15 *than 30 days after the date of the enactment of this Act.*

16 (2) *The Commission shall convene its first meeting not*
17 *later than 30 days after the date on which all members of*
18 *the Commission have been appointed.*

19 (f) *SECURITY CLEARANCES.—The Secretary of Defense*
20 *shall expedite the processing of appropriate security clear-*
21 *ances for members of the Commission.*

22 **SEC. 502. DUTIES OF COMMISSION.**

23 (a) *IN GENERAL.—(1) The Commission shall examine*
24 *the missions, functions, and responsibilities of the Office of*
25 *the Secretary of Defense, the management headquarters and*

1 *headquarters support activities of the military departments*
2 *and Defense Agencies, and the various acquisition organiza-*
3 *tions of the Department of Defense (and the relationships*
4 *among such Office, activities, and organizations).*

5 (2) *On the basis of such examination, the Commission*
6 *shall propose alternative organizational structures and al-*
7 *ternative allocations of authorities as it considers appro-*
8 *priate.*

9 (b) *DUPLICATION AND REDUNDANCY.—In carrying out*
10 *its duties, the Commission shall identify areas of duplica-*
11 *tion and recommend options to streamline, reduce, and*
12 *eliminate redundancies.*

13 (c) *SPECIAL REQUIREMENTS REGARDING OFFICE OF*
14 *SECRETARY.—The examination of the missions, functions,*
15 *and responsibilities of the Office of the Secretary of Defense*
16 *shall include the following:*

17 (1) *An assessment of the appropriate functions of*
18 *the Office and whether the Office of the Secretary of*
19 *Defense or some of its component parts should be or-*
20 *ganized along mission lines.*

21 (2) *An assessment of the adequacy of the present*
22 *organizational structure to efficiently and effectively*
23 *support the Secretary in carrying out responsibilities*
24 *in a manner that ensures civilian authority in the*
25 *Department of Defense.*

1 (3) *An assessment of the extent of unnecessary*
2 *duplication of functions between the Office of the Sec-*
3 *retary of Defense and the Joint Staff.*

4 (4) *An assessment of the extent of unnecessary*
5 *duplication of functions between the Office of the Sec-*
6 *retary of Defense and the military departments.*

7 (5) *An assessment of the appropriate number of*
8 *Under Secretaries of Defense, Assistant Secretaries of*
9 *Defense, Deputy Under Secretaries of Defense, and*
10 *Deputy Assistant Secretaries of Defense.*

11 (6) *An assessment of any benefits or efficiencies*
12 *derived from decentralizing certain functions cur-*
13 *rently performed by the Office of the Secretary of*
14 *Defense.*

15 (d) *SPECIAL REQUIREMENTS REGARDING HEAD-*
16 *QUARTERS.—The examination of the missions, functions,*
17 *and responsibilities of the management headquarters and*
18 *headquarters support activities of the military departments*
19 *and Defense Agencies shall include the following:*

20 (1) *An assessment on the adequacy of the present*
21 *headquarters organization structure to efficiently and*
22 *effectively support the mission of the military depart-*
23 *ments and the Defense Agencies.*

1 (2) *An assessment of options to reduce the num-*
2 *ber of personnel assigned to such headquarters staffs*
3 *and headquarters support activities.*

4 (3) *An assessment of the extent of unnecessary*
5 *duplication of functions between the Office of the Sec-*
6 *retary of Defense and headquarters staffs of the mili-*
7 *tary departments and the Defense Agencies.*

8 (4) *An assessment of the possible benefits that*
9 *could be derived from further functional consolidation*
10 *between the civilian secretariat of the military de-*
11 *partments and the staffs of the military service chiefs.*

12 (5) *An assessment of the possible benefits that*
13 *could be derived from reducing the number of civilian*
14 *officers in the military departments who are ap-*
15 *pointed by and with the advice and consent of the*
16 *Senate.*

17 (e) *SPECIAL REQUIREMENTS REGARDING ACQUI-*
18 *SITION ORGANIZATIONS.—The examination of the missions,*
19 *functions, and responsibilities of the various acquisition*
20 *organizations of the Department of Defense shall include*
21 *the following:*

22 (1) *An assessment of benefits of consolidation or*
23 *selected elimination of Department of Defense acqui-*
24 *sition organizations.*

1 (2) *An assessment of the opportunities to stream-*
2 *line the defense acquisition infrastructure that were*
3 *realized as a result of the enactment of the Federal*
4 *Acquisition Streamlining Act of 1994 (Public Law*
5 *103–355) and the Clinger-Cohen Act of 1996 (divi-*
6 *sions D and E of Public Law 104–106) or as result*
7 *of other acquisition reform initiatives implemented*
8 *administratively during the period from 1993 through*
9 *1997.*

10 (3) *An assessment of such other defense acquisi-*
11 *tion infrastructure streamlining or restructuring op-*
12 *tions as the Commission considers appropriate.*

13 (f) *COOPERATION FROM GOVERNMENT OFFICIALS.—In*
14 *carrying out its duties, the Commission should receive the*
15 *full and timely cooperation of the Secretary of Defense and*
16 *any other United States Government official responsible for*
17 *providing the Commission with analyses, briefings, and*
18 *other information necessary for the fulfillment of its respon-*
19 *sibilities.*

20 **SEC. 503. REPORTS.**

21 *The Commission shall submit to Congress an interim*
22 *report containing its preliminary findings and conclusions*
23 *not later than March 15, 1998, and a final report contain-*
24 *ing its findings and conclusions not later than July 15,*
25 *1998.*

1 **SEC. 504. POWERS.**

2 (a) *HEARINGS.*—*The Commission or, at its direction,*
3 *any panel or member of the Commission, may, for the pur-*
4 *pose of carrying out the provisions of this title, hold hear-*
5 *ings, sit and act at times and places, take testimony, receive*
6 *evidence, and administer oaths to the extent that the Com-*
7 *mission or any panel or member considers advisable.*

8 (b) *INFORMATION.*—*The Commission may secure*
9 *directly from the Department of Defense and any other Fed-*
10 *eral department or agency information that the Commis-*
11 *sion considers necessary to enable the Commission to carry*
12 *out its responsibilities under this title.*

13 **SEC. 505. COMMISSION PROCEDURES.**

14 (a) *MEETINGS.*—*The Commission shall meet at the*
15 *call of the Chairman.*

16 (b) *QUORUM.*—(1) *Five members of the Commission*
17 *shall constitute a quorum other than for the purpose of hold-*
18 *ing hearings.*

19 (2) *The Commission shall act by resolution agreed to*
20 *by a majority of the members of the Commission.*

21 (c) *COMMISSION.*—*The Commission may establish*
22 *panels composed of less than full membership of the Com-*
23 *mission for the purpose of carrying out the Commission's*
24 *duties. The actions of each such panel shall be subject to*
25 *the review and control of the Commission. Any findings and*
26 *determinations made by such a panel shall not be consid-*

1 *ered the findings and determinations of the Commission*
2 *unless approved by the Commission.*

3 *(d) AUTHORITY OF INDIVIDUALS TO ACT FOR COMMIS-*
4 *SION.—Any member or agent of the Commission may, if*
5 *authorized by the Commission, take any action which the*
6 *Commission is authorized to take under this title.*

7 **SEC. 506. PERSONNEL MATTERS.**

8 *(a) PAY OF MEMBERS.—Members of the Commission*
9 *shall serve without pay by reason of their work on the Com-*
10 *mission.*

11 *(b) TRAVEL EXPENSES.—The members of the Commis-*
12 *sion shall be allowed travel expenses, including per diem*
13 *in lieu of subsistence, at rates authorized for employees of*
14 *agencies under subchapter I of chapter 57 of title 5, United*
15 *States Code, while away from their homes or regular places*
16 *of business in the performance of services for the Commis-*
17 *sion.*

18 *(c) STAFF.—(1) The chairman of the Commission*
19 *may, without regard to the provisions of title 5, United*
20 *States Code, governing appointments in the competitive*
21 *service, appoint a staff director and such additional person-*
22 *nel as may be necessary to enable the Commission to per-*
23 *form its duties. The appointment of a staff director shall*
24 *be subject to the approval of the Commission.*

1 (2) *The chairman of the Commission may fix the pay*
2 *of the staff director and other personnel without regard to*
3 *the provisions of chapter 51 and subchapter III of chapter*
4 *53 of title 5, United States Code, relating to classification*
5 *of positions and General Schedule pay rates, except that*
6 *the rate of pay fixed under this paragraph for the staff*
7 *director may not exceed the rate payable for level V of the*
8 *Executive Schedule under section 5316 of such title and the*
9 *rate of pay for other personnel may not exceed the maxi-*
10 *mum rate payable for grade GS-15 of the General Schedule.*

11 (d) *DETAIL OF GOVERNMENT EMPLOYEES.—Upon re-*
12 *quest of the chairman of the Commission, the head of any*
13 *Federal department or agency may detail, on a non-*
14 *reimbursable basis, any personnel of that department or*
15 *agency to the Commission to assist it in carrying out its*
16 *duties.*

17 (e) *PROCUREMENT OF TEMPORARY AND INTERMIT-*
18 *TENT SERVICES.—The chairman of the Commission may*
19 *procure temporary and intermittent services under section*
20 *3109(b) of title 5, United States Code, at rates for individ-*
21 *uals which do not exceed the daily equivalent of the annual*
22 *rate of basic pay payable for level V of the Executive Sched-*
23 *ule under section 5316 of such title.*

1 **SEC. 507. MISCELLANEOUS ADMINISTRATIVE PROVISIONS.**

2 (a) *POSTAL AND PRINTING SERVICES.*—*The Commis-*
3 *sion may use the United States mails and obtain printing*
4 *and binding services in the same manner and under the*
5 *same conditions as other departments and agencies of the*
6 *Federal Government.*

7 (b) *MISCELLANEOUS ADMINISTRATIVE AND SUPPORT*
8 *SERVICES.*—*The Secretary of Defense shall furnish the*
9 *Commission, on a reimbursable basis, any administrative*
10 *and support services requested by the Commission.*

11 **SEC. 508. FUNDING.**

12 *Funds for activities of the Commission shall be pro-*
13 *vided from amounts appropriated for the Department of*
14 *Defense for operation and maintenance for Defense-wide*
15 *activities for fiscal year 1998. Upon receipt of a written*
16 *certification from the Chairman of the Commission specify-*
17 *ing the funds required for the activities of the Commission,*
18 *the Secretary of Defense shall promptly disburse to the Com-*
19 *mission, from such amounts, the funds required by the Com-*
20 *mission as stated in such certification.*

21 **SEC. 509. TERMINATION OF THE COMMISSION.**

22 *The Commission shall terminate 60 days after the date*
23 *of the submission of its final report under section 503.*