

105TH CONGRESS  
1ST SESSION

# H. R. 1778

To reform the Department of Defense.

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## 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

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## 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,*

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

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Defense Reform Act of 1997”.

6 (b) TABLE OF CONTENTS.—The table of contents of  
7 this 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 headquarters 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 property.
- 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 services 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 commerce 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 stored 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.

1 **TITLE I—DEFENSE PERSONNEL**  
2 **REFORMS**

3 **SEC. 101. REDUCTION IN PERSONNEL ASSIGNED TO MAN-**  
4 **AGEMENT HEADQUARTERS AND HEAD-**  
5 **QUARTERS SUPPORT ACTIVITIES.**

6 (a) IN GENERAL.—(1) Chapter 3 of title 10, United  
7 States Code, is amended by adding at the end the follow-  
8 ing new section:

9 **“§ 130a. Management headquarters and headquarters**  
10 **support activities personnel: limitation**

11 “(a) LIMITATION.—Effective October 1, 2001, the  
12 number of management headquarters and headquarters  
13 support activities personnel in the Department of Defense  
14 may not exceed the 75 percent of the baseline number.

15 “(b) PHASED REDUCTION.—The number of manage-  
16 ment headquarters and headquarters support activities  
17 personnel in the Department of Defense—

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

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

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

24 “(c) BASELINE NUMBER.—In this section, the term  
25 ‘baseline number’ means the number of management

1 headquarters and headquarters support activities person-  
2 nel in the Department of Defense as of October 1, 1997.

3 “(d) MANAGEMENT HEADQUARTERS AND HEAD-  
4 QUARTERS SUPPORT ACTIVITIES PERSONNEL DE-  
5 FINED.—In this section:

6 “(1) The term ‘management headquarters and  
7 headquarters support activities personnel’ means  
8 military and civilian personnel of the Department of  
9 Defense who are assigned to, or employed in, func-  
10 tions in management headquarters activities or in  
11 management headquarters support activities, except  
12 that such term does not include personnel who are  
13 OSD personnel (as such term is defined in section  
14 143(c) of this title).

15 “(2) The terms ‘management headquarters ac-  
16 tivities’ and ‘management headquarters support ac-  
17 tivities’ have the meanings given those terms in De-  
18 partment of Defense Directive 5100.73, entitled ‘De-  
19 partment of Defense Management Headquarters and  
20 Headquarters Support Activities’, as in effect on No-  
21 vember 12, 1996.

22 “(e) LIMITATION ON REASSIGNMENT OF FUNC-  
23 TIONS.—In carrying out reductions in the number of per-  
24 sonnel assigned to, or employed in, management head-  
25 quarters and headquarters support activities in order to

1 comply with this section, the Secretary of Defense and the  
2 Secretaries of the military departments may not reassign  
3 functions in order to evade the requirements of this sec-  
4 tion.

5 “(f) FLEXIBILITY.—If the Secretary of Defense de-  
6 termines, and certifies to Congress, that the limitation in  
7 subsection (b) with respect to any fiscal year would ad-  
8 versely affect United States national security, the Sec-  
9 retary may waive the limitation under that subsection with  
10 respect to that fiscal year. If the Secretary of Defense de-  
11 termines, and certifies to Congress, that the limitation in  
12 subsection (a) during fiscal year 2001 would adversely af-  
13 fect United States national security, the Secretary may  
14 waive the limitation under that subsection with respect to  
15 that fiscal year. The authority under this subsection may  
16 be used only once, with respect to a single fiscal year.”.

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

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

20 (b) IMPLEMENTATION REPORT.—Not later than Jan-  
21 uary 15, 1998, the Secretary of Defense shall submit to  
22 Congress a report—

1           (1) containing a plan to achieve the personnel  
2 reductions required by section 130a of title 10, Unit-  
3 ed States Code, as added by subsection (a); and

4           (2) including the recommendations of the Sec-  
5 retary regarding—

6           (A) the revision, replacement, or aug-  
7 mentation of Department of Defense Directive  
8 5100.73, entitled “Department of Defense  
9 Management Headquarters and Headquarters  
10 Support Activities”, as in effect on November  
11 12, 1996; and

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

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

22           (A) a heading as follows:

23 **“§ 143. Office of the Secretary of Defense personnel:**  
24 **limitation”;**

25           and

1 (B) a text consisting of the text of subsections  
2 (a) through (f) of section 903 of the National De-  
3 fense Authorization Act for Fiscal Year 1997 (Pub-  
4 lic Law 104–201; 110 Stat. 2617).

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

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

8 (3) Section 903 of the National Defense Authoriza-  
9 tion Act for Fiscal Year 1997 (Public Law 104–201; 110  
10 Stat. 2617) is repealed.

11 **SEC. 102. ADDITIONAL REDUCTION IN DEFENSE ACQUI-  
12 TION WORKFORCE.**

13 (a) IN GENERAL.—(1) Chapter 87 of title 10, United  
14 States Code, is amended by adding at the end the follow-  
15 ing new section:

16 **“§ 1765. Limitations on number of personnel**

17 “(a) LIMITATION.—Effective October 1, 2001, the  
18 number of defense acquisition personnel may not exceed  
19 the baseline number reduced by 124,000.

20 “(b) PHASED REDUCTION.—The number of the num-  
21 ber of defense acquisition personnel—

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

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

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

3           “(c) BASELINE NUMBER.—For purposes of this sec-  
4           tion, the baseline number is the total number of defense  
5           acquisition personnel as of October 1, 1997.

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

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

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

          “1765. Limitation on number of personnel.”.

20          (b) IMPLEMENTATION REPORT.—Not later than Jan-  
21          uary 15, 1998, the Secretary of Defense shall submit to  
22          Congress a report—

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

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

4       (c) TECHNICAL REFERENCE CORRECTION.—Section  
5       1721(c) of title 10, United States Code, is amended by  
6       striking out “November 25, 1988” and inserting in lieu  
7       thereof “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 ci-  
13       vilian employee of the Department of Defense described  
14       in subsection (b) who is separated during fiscal year 1998  
15       in the manner described in section 8336(d) of title 5, Unit-  
16       ed States Code, the resulting reduction in annuity re-  
17       quired to be made under section 8339(h) of such title shall  
18       be  $\frac{1}{12}$  of 1 percent for each full month the employee is  
19       under 55 years of age at the date of separation (rather  
20       than  $\frac{1}{6}$  of 1 percent).

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

1           (1) is covered by the definition of “defense ac-  
2           quisition personnel” in section 1765(c) 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  
8           the 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  
14          to Congress a report specifying—

15                (A) the number of civilian employees of the De-  
16                partment of Defense (by age and grade) who have  
17                received 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  
23          of Defense shall submit to Congress a final report covering  
24          fiscal year 1998 and containing the information required  
25          by 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 ac-  
8 quisition personnel” in section 1765(c) 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, Unit-  
12 ed States Code; and

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

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

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

1 President for fiscal year 1998 submitted to Congress pur-  
2 suant to section 1105 of title 31, United States Code.

3 (d) RELATIONSHIP TO OTHER SPECIAL AUTHOR-  
4 ITY.—A civilian employee who receives separation pay  
5 under this section may not also receive a change under  
6 section 103 in the reduction otherwise made to the em-  
7 ployee's annuity under section 8339(h) of title 5, United  
8 States Code.

9 (e) REPORT.—In the report required for fiscal year  
10 1998 under section 4436(c) of the National Defense Au-  
11 thorization Act for Fiscal Year 1993 (Public Law 102-  
12 484; 5 U.S.C. 5597 note), the Secretary of Defense shall  
13 include, as a separate portion of the report, information  
14 on the manner in which the authority provided in this sec-  
15 tion was implemented and the effectiveness and costs of  
16 carrying out the authority.

17 **SEC. 105. PERSONNEL REDUCTIONS IN UNITED STATES**  
18 **TRANSPORTATION COMMAND.**

19 (a) PURPOSE OF LIMITATION.—The purpose of the  
20 limitation on the number of United States Transportation  
21 Command personnel established by section 165(d) of title  
22 10, United States Code, as added by subsection (b), is to  
23 recognize and continue the effort of the Secretary of De-  
24 fense to eliminate administrative duplication and ineffi-  
25 ciencies in the United States Transportation Command.

1 (b) LIMITATION.—Section 165 of title 10, United  
2 States Code, is amended by adding at the end the follow-  
3 ing new subsection:

4 “(d) LIMITATION ON UNITED STATES TRANSPOR-  
5 TATION COMMAND PERSONNEL.—(1) Effective October 1,  
6 1998, the number of United States Transportation Com-  
7 mand personnel may not exceed 66,238.

8 “(2) In this subsection, the term ‘United States  
9 Transportation Command personnel’ means military and  
10 civilian personnel who are assigned to, or employed in, the  
11 United States Transportation Command (including the  
12 components of that combatant command).”.

13 (c) SOURCE OF REDUCTIONS.—In reducing the num-  
14 ber of United States Transportation Command personnel  
15 in order to meet the limitation required by section 165(d)  
16 of title 10, United States Code, as added by subsection  
17 (b), the Secretary of Defense shall limit such reductions  
18 to United States Transportation Command personnel de-  
19 scribed in paragraph (2).

20 (2) The United States Transportation Command per-  
21 sonnel referred to in paragraph (1) are members of the  
22 Armed Forces and civilian personnel of the Department  
23 of Defense who are assigned to, or employed in, the United  
24 States Transportation Command (including the compo-  
25 nents of that combatant command) and who are in one

1 of the following occupational classifications established to  
2 group similar occupations and work positions into a con-  
3 sistent structure:

4 (A) Enlisted members in the Functional Sup-  
5 port and Administration classification (designated as  
6 occupational code 5XX), as described in Department  
7 of Defense Instruction 1312.1, dated August 9,  
8 1995, regarding “Department of Defense Occupa-  
9 tional Information Collection and Reporting”.

10 (B) Officers in the General Officers and Execu-  
11 tives classification (designated as occupational code  
12 1XX), Administrators (designated as occupational  
13 code 7XX), and Supply, Procurement, and Allied Of-  
14 ficers classification (designated as occupational code  
15 8XX), as described in such instruction.

16 (C) Civilian personnel in the Program Manage-  
17 ment classification (designated as occupational code  
18 GS-0340), Accounting and Budget classification  
19 (designated as occupational code GS-0500 and re-  
20 lated codes), Business and Industry classification  
21 (designated as occupational code GS-1100 and re-  
22 lated codes), and Supply classification (designated as  
23 occupational code GS-2000 and related codes), as  
24 described in Office of Personnel Management docu-

1       ment El-12, dated November 1, 1995, entitled  
2       “Federal Occupational Groups”.

3       **TITLE II—DEFENSE BUSINESS**  
4               **PRACTICES REFORMS**  
5               **Subtitle A—Competitive**  
6               **Procurement Requirements**

7       **SEC. 201. COMPETITIVE PROCUREMENT OF FINANCE AND**  
8               **ACCOUNTING SERVICES.**

9       (a) **COMPETITIVE PROCUREMENT REQUIRED.**—  
10      Chapter 165 of title 10, United States Code, is amended  
11      by adding at the end the following new section:

12      **“§ 2784. Competitive procurement of finance and ac-**  
13               **counting services**

14           “(a) **COMPETITIVE PROCUREMENT REQUIRED.**—Be-  
15      ginning not later than October 1, 1998, the Secretary of  
16      Defense shall competitively procure finance and account-  
17      ing services for the Department of Defense, including non-  
18      appropriated fund instrumentalities of the Department of  
19      Defense. The Secretary shall establish procedures to con-  
20      duct competitions among private-sector sources and the  
21      Defense Finance and Accounting Service and other inter-  
22      ested Federal agencies. Such procedures shall not permit  
23      a component of the Defense Finance and Accounting Serv-  
24      ice to compete against any other component of the Defense

1 Finance and Accounting Service to provide such finance  
2 and accounting services.

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

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

17 “(1) from sources within the Department of  
18 Defense;

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

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

22 (b) CLERICAL AMENDMENT.—The table of sections  
23 at the beginning of such chapter is amended by adding  
24 at the 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.—  
9 Beginning not later than October 1, 1998, the Secretary  
10 of Defense shall competitively procure services for the De-  
11 partment of Defense in connection with the disposal of  
12 surplus property at each site at which the Defense Reutili-  
13 zation and Marketing Service operates. The Secretary  
14 shall establish procedures to conduct competitions among  
15 private-sector sources and the Defense Reutilization and  
16 Marketing Service and other interested Federal agencies  
17 for the performance of all such services at a particular  
18 site.

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

1       “(c) REPORTING REQUIREMENTS.—Not later than  
2 90 days after the end of each fiscal year in which services  
3 for the disposal of surplus property are competitively pro-  
4 cured under subsection (a), the Secretary of Defense shall  
5 submit to Congress a report specifying—

6               “(1) the type and volume of such services pro-  
7 cured by the Department of Defense during that fis-  
8 cal year from the Defense Reutilization and Market-  
9 ing Service and from other sources;

10              “(2) the former sites of the Defense Reutiliza-  
11 tion and Marketing Service operated during that fis-  
12 cal year by contractors (other than the Defense Re-  
13 utilization and Marketing Service); and

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

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

22       “(e) DEFINITIONS.—In this section:

23              “(1) The term ‘surplus property’ means any  
24 real or personal excess property which is not re-  
25 quired for the needs and the discharge of the re-

1        responsibilities of all Federal agencies and the disposal  
2        of which is the responsibility of the Department of  
3        Defense.

4            “(2) The term ‘excess property’ means any real  
5        or personal property under the control of the De-  
6        partment of Defense which is not required for its  
7        needs and the discharge of its responsibilities, as de-  
8        termined by the Secretary of Defense.”.

9        (2) The table of sections at the beginning of such  
10       chapter is amended by inserting after the item relating  
11       to section 2572 the following new item:

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

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

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

19            (2) identifying other functions of the Defense  
20        Reutilization and Marketing Service that the Sec-  
21        retary considers suitable for performance by private-  
22        sector sources.

1 **SEC. 203. COMPETITIVE PROCUREMENT OF FUNCTIONS**  
2 **PERFORMED BY DEFENSE INFORMATION**  
3 **SYSTEMS AGENCY.**

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

7 **“§ 2474. Competitive procurement of information**  
8 **services**

9 “(a) **COMPETITIVE PROCUREMENT REQUIRED.**—Be-  
10 ginning not later than October 1, 1998, the Secretary of  
11 Defense shall competitively procure those commercial and  
12 industrial type functions performed before that date by the  
13 Defense Information Systems Agency. The Secretary shall  
14 establish procedures to conduct competitions among pri-  
15 vate-sector sources and the Defense Information Systems  
16 Agency and other interested Federal agencies.

17 “(b) **IMPROVEMENT OF COMPETITIVE ABILITY.**—Be-  
18 fore conducting a competition under subsection (a) for the  
19 procurement of information services that are being pro-  
20 vided by a component of the Defense Information Systems  
21 Agency, the Secretary of Defense shall provide the compo-  
22 nent with an opportunity to establish its most efficient or-  
23 ganization.

24 “(c) **EXCEPTION FOR CLASSIFIED FUNCTIONS.**—(1)  
25 The requirement of subsection (a) shall not apply to the

1 procurement of services involving a classified function per-  
2 formed by the Defense Information Systems Agency.

3 “(2) In this subsection, the term ‘classified function’  
4 means any telecommunications or information services  
5 that—

6 “(A) involve intelligence activities;

7 “(B) involve cryptologic activities related to na-  
8 tional security;

9 “(C) involve command and control of military  
10 forces;

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

13 “(E) are critical to the direct fulfillment of mili-  
14 tary or intelligence missions (other than routine ad-  
15 ministrative and business applications, such as pay-  
16 roll, finance, logistics, and personnel management  
17 applications).

18 “(d) REPORTING REQUIREMENTS.—Not later than  
19 90 days after the end of each fiscal year in which services  
20 are competitively procured under subsection (a), the Sec-  
21 retary of Defense shall submit to Congress a report speci-  
22 fying the type and volume of such services procured by  
23 the Department of Defense during that fiscal year—

24 “(1) from sources within the Department of  
25 Defense;

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

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

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

“2474. Competitive procurement of information services.”.

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

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

14 (2) describing the services currently provided by  
15 the Defense Information Systems Agency that will  
16 be affected by such requirements; and

17 (3) describing the manner in which the Sec-  
18 retary proposes to change the support infrastructure  
19 of the Defense Information Systems Agency to meet  
20 such requirements.

21 **SEC. 204. COMPETITIVE PROCUREMENT OF PRINTING AND**  
22 **DUPLICATION SERVICES.**

23 (a) EXTENSION.—Subsection (a) of section 351 of  
24 the National Defense Authorization Act for Fiscal Year  
25 1996 (Public Law 104–106; 110 Stat. 266) is amended—



1 (b) EXCEPTION.—Subsection (a) shall not apply to  
2 the extent that the Secretary of Defense determines that  
3 the use of sources within the Department of Defense to  
4 provide such ophthalmic services—

5 (1) is necessary to meet the readiness require-  
6 ments of the Armed Forces; or

7 (2) is more cost effective.

8 (c) COMPLETION OF EXISTING ORDERS.—Subsection  
9 (a) shall not apply to orders for ophthalmic services re-  
10 ceived on or before September 30, 1998.

11 **SEC. 206. INCREASED USE BY DEFENSE AGENCIES OF CON-**  
12 **TRACTORS TO PERFORM COMMERCIAL AND**  
13 **INDUSTRIAL TYPE FUNCTIONS.**

14 (a) INCREASED USE REQUIRED.—Section 2461 of  
15 title 10, United States Code, is amended—

16 (1) by redesignating subsection (g) as sub-  
17 section (h); and

18 (2) by inserting after subsection (f) the follow-  
19 ing new section:

20 “(g) INCREASED USE OF CONTRACTORS BY DE-  
21 FENSE AGENCIES.—In each fiscal year beginning after  
22 September 30, 1999, not less than 33 percent of the com-  
23 mercial and industrial type functions of the Defense Agen-  
24 cies shall be performed by private contractors. The Sec-  
25 retary of Defense may achieve this goal before that date.”.

1 (b) IMPLEMENTATION PLAN.—Not later than March  
2 1, 1998, the Secretary of Defense shall submit to Congress  
3 a plan to accomplish the increased rate of outsourcing re-  
4 quired by subsection (g) of section 2461 of title 10, United  
5 States Code, as added by subsection (a). The plan shall  
6 identify the specific Defense Agency functions to be con-  
7 sidered for contractor performance, the number of military  
8 and civilian positions affected, and relevant milestones for  
9 the outsourcing of the identified functions.

## 10 **Subtitle B—Reform of Conversion** 11 **Process**

### 12 **SEC. 211. DEVELOPMENT OF STANDARD FORMS REGARD-** 13 **ING PERFORMANCE WORK STATEMENT AND** 14 **REQUEST FOR PROPOSAL FOR CONVERSION** 15 **OF CERTAIN OPERATIONAL FUNCTIONS OF** 16 **MILITARY INSTALLATIONS.**

17 (a) STANDARD FORMS REQUIRED.—Chapter 146 of  
18 title 10, United States Code, is amended by inserting after  
19 section 2474, as added by section 203, the following new  
20 section:

#### 21 **“§ 2475. Military installations: use of standard forms** 22 **in conversion process**

23 “(a) STANDARDIZATION OF REQUIREMENTS.—(1)  
24 The Secretary of Defense shall develop standard forms (to  
25 be known as a ‘standard performance work statement’ and

1 a ‘standard request for proposal’) to be used in the consid-  
2 eration for conversion to contractor performance of those  
3 commercial services and functions at military installations  
4 that have been converted to contractor performance at a  
5 rate of 50 percent or more, as determined under sub-  
6 section (c).

7 “(2) A separate standard form shall be developed for  
8 each service and function covered by paragraph (1) and  
9 the forms shall be used throughout the Department of De-  
10 fense in lieu of the performance work statement and re-  
11 quest for proposal otherwise required under the proce-  
12 dures and requirements of Office of Management and  
13 Budget Circular A-76 (or any successor administrative  
14 regulation or policy).

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

17 “(b) INAPPLICABILITY OF ELEMENTS OF OMB CIR-  
18 CULAR A-76.—On and after October 1, 1998, the proce-  
19 dures and requirements of Office of Management and  
20 Budget Circular A-76 regarding performance work state-  
21 ments and requests for proposals shall not apply with re-  
22 spect to the conversion to contractor performance at a  
23 military installation of a service or function for which a  
24 standard form is required under subsection (a).

1           “(c) DETERMINATION OF CONTRACTOR PERFORM-  
2 ANCE PERCENTAGE.—In determining the percentage at  
3 which a particular commercial service or function at mili-  
4 tary installations has been converted to contractor per-  
5 formance, the Secretary of Defense shall take into consid-  
6 eration all military installations and use the final estimate  
7 of the percentage of contractor performance of services  
8 and functions contained in the most recent commercial  
9 and industrial activity inventory database established  
10 under Office of Management and Budget Circular A-76.

11           “(d) EFFECT ON OTHER LAWS.—Nothing in this sec-  
12 tion shall be construed to supersede any other require-  
13 ments or limitations, specifically contained in this chapter,  
14 on the conversion to contractor performance of activities  
15 performed by civilian employees of the Department of De-  
16 fense.

17           “(e) MILITARY INSTALLATION DEFINED.—In this  
18 section, the term ‘military installation’ means a base,  
19 camp, post, station, yard, center, homeport facility for any  
20 ship, or other activity under the jurisdiction of the Depart-  
21 ment of Defense, including any leased facility.”.

22           (b) CLERICAL AMENDMENT.—The table of sections  
23 at the beginning of such chapter is amended by inserting  
24 after the item relating to section 2474, as added by section  
25 203, the following new item:

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

1 **SEC. 212. STUDY AND NOTIFICATION REQUIREMENTS FOR**  
2 **CONVERSION OF COMMERCIAL AND INDUS-**  
3 **TRIAL TYPE FUNCTIONS TO CONTRACTOR**  
4 **PERFORMANCE.**

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

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

18 “(2) A study of a commercial or industrial type func-  
19 tion for possible conversion to contractor performance  
20 shall include the following:

21 “(A) A comparison of the performance of the  
22 function by Department of Defense civilian employ-  
23 ees and by private contractor to determine whether  
24 contractor performance will result in savings to the  
25 Government over the life of the contract.

1           “(B) An examination of the potential economic  
2 effect on employees who would be affected by the  
3 conversion, and the potential economic effect on the  
4 local community and the United States if more than  
5 75 employees perform the function.

6           “(C) An examination of the effect of contract-  
7 ing for performance of the function on the military  
8 mission of the function.

9           “(b) NOTIFICATION OF CONVERSION DECISION.—If,  
10 as a result of the completion of a study under subsection  
11 (a) regarding the possible conversion of a function to per-  
12 formance by a private contractor, a decision is made to  
13 convert the function to contractor performance, the Sec-  
14 retary of Defense shall notify Congress of the conversion  
15 decision. The notification shall—

16           “(1) indicate that the study conducted regard-  
17 ing conversion of the function to performance by a  
18 private contractor has been completed;

19           “(2) certify that the comparison required by  
20 subsection (a)(2)(A) as part of the study dem-  
21 onstrates that the performance of the function by a  
22 private contractor will result in savings to the Gov-  
23 ernment over the life of the contract;

24           “(3) certify that the entire comparison is avail-  
25 able for examination; and

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

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

6 **SEC. 213. COLLECTION AND RETENTION OF COST INFOR-**  
7 **MATION DATA ON CONTRACTED OUT SERV-**  
8 **ICES AND FUNCTIONS.**

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

11           (1) by redesignating subsections (a) and (b) as  
12 subsections (b) and (c), respectively; and

13           (2) by inserting after the section heading the  
14 following new subsection:

15           “(a) REQUIREMENTS IN CONNECTION WITH CON-  
16 VERSION TO CONTRACTOR PERFORMANCE.—With respect  
17 to each contract converting the performance of a service  
18 or function of the Department of Defense to contractor  
19 performance (and any extension of such a contract), the  
20 Secretary of Defense shall collect, during the term of the  
21 contract or extension, but not to exceed five years, cost  
22 information data regarding performance of the service or  
23 function by private contractor employees. The Secretary  
24 shall provide for the permanent retention of information  
25 collected under this subsection.”.

1 (b) CONFORMING AMENDMENTS.—Such section is  
2 further amended—

3 (1) in subsection (b), as redesignated by sub-  
4 section (a)(1)—

5 (A) by striking out the subsection heading  
6 and inserting in lieu thereof “REQUIREMENTS  
7 IN CONNECTION WITH RETURN TO EMPLOYEE  
8 PERFORMANCE.—”; and

9 (B) by striking out “to which this section  
10 applies” and inserting in lieu thereof “described  
11 in subsection (c),”; and

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

14 (A) by striking out the subsection heading  
15 and inserting in lieu thereof “COVERED FISCAL  
16 YEARS.—”; and

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

19 (c) CLERICAL AMENDMENTS.—(1) The heading of  
20 such 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 serv-  
 ices 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 Sec-  
 11 retary of Defense shall take such actions as may be nec-  
 12 essary to reduce the annual overhead costs of the supply  
 13 management activities of the Defense Logistics Agency  
 14 and the military departments (known as Inventory Control  
 15 Points) so that the annual overhead costs are not more  
 16 than eight percent of annual net sales at standard price  
 17 by the Inventory Control Points.

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

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

5 (A) annual materiel costs; and

6 (B) military and civilian personnel related  
7 costs, defined as personnel compensation and  
8 benefits under the March 1996 Department of  
9 Defense Financial Management Regulations,  
10 Volume 2A, Chapter 1, Budget Account Title  
11 File (Object Classification Name/Code), object  
12 classifications 200, 211, 220, 221, 222, and  
13 301.

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

20 **SEC. 222. CONSOLIDATION OF PROCUREMENT TECHNICAL**  
21 **ASSISTANCE AND ELECTRONIC COMMERCE**  
22 **TECHNICAL ASSISTANCE.**

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

1           (1) Sections 2412, 2414, 2417, and 2418 are  
2 each amended by inserting “and electronic com-  
3 merce” after “procurement” each place it appears.

4           (2) Section 2413 is amended—

5                 (A) in subsection (b), by striking out “pro-  
6 curement technical assistance” and inserting in  
7 lieu thereof “both procurement technical assist-  
8 ance and electronic commerce technical assist-  
9 ance”; and

10                (B) in subsection (c), by inserting “and  
11 electronic commerce” after “procurement”.

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

15                “(d) The Secretary shall use competitive procedures  
16 in entering into cooperative agreements under subsection  
17 (a).”.

18           (c) LIMITATION ON USE OF FUNDS.—Section 2417  
19 of such title is amended—

20                (1) by striking out “The Director” and insert-  
21 ing in lieu thereof the following: “(b) ADMINISTRA-  
22 TIVE COSTS.—The Director”; and

23                (2) by inserting before subsection (b) (as des-  
24 ignated by subparagraph (A)) the following:

1       “(a) LIMITATION ON USE OF FUNDS.—In any fiscal  
 2 year the Secretary of Defense may use for the program  
 3 authorized by this chapter only funds specifically appro-  
 4 priated for the program for that fiscal year.”.

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

7       **“CHAPTER 142—PROCUREMENT AND**  
 8       **ELECTRONIC COMMERCE TECHNICAL**  
 9       **ASSISTANCE PROGRAM”.**

10       (2) The tables of chapters at the beginning of subtitle  
 11 A, and at the beginning of part IV of subtitle A, of such  
 12 title are each amended by striking out the item relating  
 13 to chapter 142 and inserting in lieu thereof the following:

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

14       (3) The heading for section 2417 of such title is  
 15 amended to read as follows:

16       **“§ 2417. Funding provisions”.**

17       (4) The table of sections at the beginning of chapter  
 18 142 of such title is amended by striking out the item relat-  
 19 ing to section 2417 and inserting in lieu thereof the follow-  
 20 ing:

      “2417. Funding provisions.”.

1 **SEC. 223. PERMANENT AUTHORITY REGARDING CONVEY-**  
2 **ANCE OF UTILITY SYSTEMS.**

3 (a) IN GENERAL.—Chapter 159 of title 10, United  
4 States Code, is amended by inserting after section 2687  
5 the following new section:

6 **“§ 2688. Utility systems: permanent conveyance au-**  
7 **thority**

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

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

19 “(1) Electrical generation and supply systems.

20 “(2) Water supply and treatment systems.

21 “(3) Wastewater collection and treatment sys-  
22 tems.

23 “(4) Steam or hot or chilled water generation  
24 and supply systems.

25 “(5) Natural gas supply systems.

1           “(6) Sanitary landfills or lands to be used for  
2           sanitary landfills.

3           “(7) Similar utility systems.

4           “(c) CONSIDERATION.—(1) The Secretary of a mili-  
5           tary department may accept consideration received for a  
6           conveyance under subsection (a) in the form of a cash pay-  
7           ment or a reduction in utility rate charges for a period  
8           of time sufficient to amortize the monetary value of the  
9           utility system, including any real property interests, con-  
10          veyed.

11          “(2) Cash payments received shall be credited to an  
12          appropriation account designated as appropriate by the  
13          Secretary of Defense. Amounts so credited shall be avail-  
14          able for the same time period as the appropriation credited  
15          and shall be used only for the purposes authorized for that  
16          appropriation.

17          “(d) CONGRESSIONAL NOTIFICATION.—A conveyance  
18          may not be made under subsection (a) until—

19                 “(1) the Secretary of the military department  
20                 concerned submits to the appropriate committees of  
21                 Congress (as defined in section 2801(c)(4) of this  
22                 title) a report containing an economic analysis  
23                 (based upon accepted life-cycle costing procedures)  
24                 which demonstrates that the full cost to the United  
25                 States of the proposed conveyance is cost-effective

1 when compared with alternative means of furnishing  
2 the same utility systems; and

3 “(2) a period of 21 days has elapsed after the  
4 date on which the report is received by the commit-  
5 tees.

6 “(e) **ADDITIONAL TERMS AND CONDITIONS.**—The  
7 Secretary of the military department concerned may re-  
8 quire such additional terms and conditions in a conveyance  
9 entered into under subsection (a) as the Secretary consid-  
10 ers appropriate to protect the interests of the United  
11 States.”.

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

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

16 **TITLE III—ENVIRONMENTAL**  
17 **REFORMS**  
18 **Subtitle A—Superfund Reforms**  
19 **Generally**

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

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

1           “(1) METHODS OF REMEDIATION.—(A) Rem-  
2 edies selected at individual facilities shall be protec-  
3 tive of human health and the environment and pro-  
4 vide a cost-effective treatment to achieve a level of  
5 remediation that permits the reasonably anticipated  
6 future land uses at the facility. A remedial action  
7 may achieve protection of human health and the en-  
8 vironment through—

9                   “(i) treatment that reduces the toxicity,  
10                   mobility, or volume of hazardous substances,  
11                   pollutants, or contaminants;

12                   “(ii) containment or other engineering con-  
13                   trols to limit exposure;

14                   “(iii) a combination of treatment and con-  
15                   tainment; or

16                   “(iv) other methods of protection.

17           “(B) The method or methods of remediation  
18 appropriate for a given facility shall be determined  
19 through the evaluation of remedial alternatives and  
20 the selection process under paragraph (2). When de-  
21 termining the appropriate remedial method, treat-  
22 ment is to be preferred for hot spots as defined  
23 under paragraph (2)(C).

24           “(2) APPROPRIATE REMEDIAL ACTION.—

1           “(A) IN GENERAL.—The President shall  
2 identify and select an appropriate remedy that  
3 minimizes exposures by comparing alternative  
4 remedies and balancing the following factors  
5 with respect to each such remedy:

6                   “(i) The effectiveness of the remedy,  
7 including its implementability.

8                   “(ii) The long-term reliability of the  
9 remedy, that is, its capability to achieve  
10 long-term protection of human health and  
11 the environment considering the preference  
12 for treatment of hot spots.

13                   “(iii) The short-term risk posed by  
14 the implementation of the remedy to the  
15 affected community, to those engaged in  
16 the cleanup effort, and to the environment.

17                   “(iv) The acceptability of the remedy  
18 to the affected community.

19                   “(v) The reasonableness of the cost of  
20 the remedy.

21                   “(vi) The results of any risk assess-  
22 ments conducted with respect to the rem-  
23 edy.

24                   “(vii) The costs, both direct and indi-  
25 rect, of the remedy.

1           “(B) DEFERRAL OF REMEDIAL ACTION.—  
2           The President may defer the selection of a re-  
3           medial action if the President determines  
4           that—

5                   “(i) the hazardous substance, pollut-  
6                   ant, or contaminant can be contained in a  
7                   manner sufficient to protect human health  
8                   and the environment; and

9                   “(ii) an innovative technology is ex-  
10                  pected to be available in the near future  
11                  that will provide a more cost-effective rem-  
12                  edy.

13           “(C) HOT SPOTS.—The following shall  
14           apply to the remediation of hot spots:

15                   “(i) For purposes of this section, the  
16                   term ‘hot spot’ means a discrete area with-  
17                   in a facility that contains hazardous sub-  
18                   stances, pollutants or contaminants (I)  
19                   that are present in high concentrations,  
20                   are highly mobile, and cannot be reliably  
21                   contained; or (II) that would present a sig-  
22                   nificant risk to human health or the envi-  
23                   ronment. The President shall develop  
24                   guidelines for the identification of hot  
25                   spots. Such guidelines shall recommend ap-

1 appropriate field investigations that will not  
2 require extraordinarily complex or costly  
3 measures.

4 “(ii) In determining an appropriate  
5 remedy for hot spots, the President shall  
6 consider the factors under subparagraph  
7 (A). With respect to the factor in clause  
8 (v) of subparagraph (A), the President  
9 shall use a higher threshold for evaluating  
10 the reasonableness of costs for hot spot  
11 treatment relative to the remediation of  
12 non-hot spot materials.

13 “(iii) The President shall select a  
14 remedy requiring treatment of materials  
15 constituting hot spots to the maximum ex-  
16 tent practicable, consistent with the protec-  
17 tion of human health and the environment.  
18 In such instances, the President shall se-  
19 lect an interim containment remedy for  
20 such hot spot subject to adequate monitor-  
21 ing and public reporting to ensure its con-  
22 tinued integrity and shall review the in-  
23 terim containment remedy in accordance  
24 with subsection (c). When the appropriate  
25 treatment technology becomes available, as

1 determined by the President, that remedy  
2 shall be considered in accordance with this  
3 section.

4 “(iv) Notwithstanding the presence of  
5 a hot spot, the President may select a final  
6 containment remedy for hot spots at land-  
7 fills and mining sites or similar facilities  
8 under the following circumstances:

9 “(I) The hot spot is small rel-  
10 ative to the overall volume of waste or  
11 contamination being addressed, the  
12 hot spot is not readily identifiable and  
13 accessible, and without the presence  
14 of the hot spot containment would  
15 have been selected as the appropriate  
16 remedy under subparagraph (A) for  
17 the larger body of waste or area of  
18 contamination in which the hot spot  
19 is located.

20 “(II) The volume and areal ex-  
21 tent of the hot spot is extraordinary  
22 compared to other facilities, and it is  
23 highly unlikely due to the size and  
24 other characteristics of the hot spot  
25 that any treatment technology will be

1                   developed that could be implemented  
2                   at reasonable cost.

3           Where final containment for a hot spot is selected,  
4           the President shall publish an explanation of the  
5           basis for that decision.

6                   “(3) GENERIC REMEDIES.—In order to stream-  
7           line the remedy selection process and to facilitate  
8           rapid voluntary action, the President shall establish,  
9           taking into account the reasonably anticipated fu-  
10          ture land uses at the facility and the factors enu-  
11          merated in paragraph (1)(A)(i), cost-effective ge-  
12          neric remedies for categories of facilities, and expe-  
13          dited procedures that include community involve-  
14          ment for selecting generic remedies at an individual  
15          facility. To be eligible for selection at a facility, a ge-  
16          neric remedy shall be protective of human health  
17          and the environment at that facility. In appropriate  
18          cases, the President may select a generic remedy  
19          without considering alternatives to the generic rem-  
20          edy.

21                   “(4) INSTITUTIONAL CONTROLS.—Whenever  
22          the President selects a remedial action which relies  
23          on restrictions on the use of land, water, or other re-  
24          sources to achieve protection of human health and  
25          the environment, the President shall specify the na-

1       ture of the restrictions required to achieve such pro-  
2       tections, including restrictions on the permissible  
3       uses of land, prohibitions on specified activities upon  
4       the property, restrictions on the drilling of wells or  
5       the use of ground water, or restrictions on the use  
6       of surface water, and may ensure that such restric-  
7       tions are incorporated into a hazardous substance  
8       easement. In reviewing remedial action alternatives  
9       which would require the use of such restrictions and  
10      providing opportunity for public comment on those  
11      alternatives, the President shall identify the nature  
12      of any institutional controls that would be required  
13      to implement such restrictions, known or anticipated  
14      affected persons, the likely duration of such restric-  
15      tions, and the anticipated costs of acquiring any ap-  
16      propriate hazardous substance easements and en-  
17      forcing the appropriate restrictions.”.

18 **SEC. 302. REQUIREMENT TO CONSIDER REASONABLY AN-**  
19 **TICIPATED FUTURE LAND USE.**

20       Section 121(b) of the Comprehensive Environmental  
21      Response, Compensation, and Liability Act of 1980 (42  
22      U.S.C. 9621(b)) is further amended by adding at the end  
23      the following:

24               “(5) LAND USE.—Before selecting a remedy  
25      under subsection (a), the President shall identify the

1 reasonably anticipated future uses of land at a facil-  
2 ity as required by this Act. In identifying reasonably  
3 anticipated future land uses, the President shall con-  
4 sider factors that include the following:

5 “(A) Views expressed by members of the  
6 affected community.

7 “(B) With respect to a Federal facility  
8 scheduled for closure or a portion of a Federal  
9 facility scheduled for transfer from the owner-  
10 ship or control of the Federal Government to  
11 another entity, any joint consensus rec-  
12 ommendation of a technical review committee  
13 established for a facility of the Department of  
14 Defense pursuant to section 2705(c) of title 10,  
15 United States Code, a restoration advisory  
16 board established for such a facility pursuant to  
17 section 2705(d) of such title, a local land use  
18 redevelopment authority, and another appro-  
19 priate State agency, or, with respect to a de-  
20 fense nuclear facility of the Department of En-  
21 ergy, a citizen advisory board.

22 “(C) The land use history of the facility  
23 and surrounding properties, the current land  
24 uses of the facility and surrounding properties,  
25 recent development patterns in the area where

1 the facility is located, and population projec-  
2 tions for that area.

3 “(D) Federal or State land use designa-  
4 tions, including Federal facilities and national  
5 parks, State ground water or surface water re-  
6 charge areas established under a State’s com-  
7 prehensive protection plan for ground water or  
8 surface water, and recreational areas.

9 “(E) The current land use zoning and fu-  
10 ture land use plans of the local government  
11 with land use regulatory authority.

12 “(F) The potential for economic redevelop-  
13 ment.

14 “(G) The proximity of the contamination  
15 to residences, sensitive populations or  
16 ecosystems, natural resources, or areas of  
17 unique historic or cultural significance.

18 “(H) Current plans for the facility by the  
19 property owner or owners, not including poten-  
20 tial voluntary remedial measures.”.

21 **SEC. 303. LIMITATION ON CRIMINAL LIABILITY OF FED-**  
22 **ERAL OFFICERS, EMPLOYEES, AND AGENTS.**

23 Section 120 of the Comprehensive Environmental Re-  
24 sponse, Compensation, and Liability Act of 1980 (42

1 U.S.C. 9620) is amended by adding at the end the follow-  
2 ing:

3 “(k) CRIMINAL LIABILITY.—Notwithstanding any  
4 other provision of this Act or any other law, an officer,  
5 employee, or agent of the United States shall not be held  
6 criminally liable for a failure to comply, in any fiscal year,  
7 with a requirement to take a response action at a facility  
8 that is owned or operated by a department, agency, or in-  
9 strumentality of the United States, under this Act, the  
10 Solid Waste Disposal Act (42 U.S.C. 6901 et seq.), or any  
11 other Federal or State law unless—

12 “(1) the officer, employee, or agent has not  
13 fully performed any direct responsibility or delegated  
14 responsibility that the officer, employee, or agent  
15 had under Executive Order 12088 (42 U.S.C. 4321  
16 note) or any other delegation of authority to ensure  
17 that a request for funds sufficient to take the re-  
18 sponse action was included in the President’s budget  
19 request under section 1105 of title 31, United States  
20 Code, for that fiscal year; or

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

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

2 Subsection (g) of section 120 of the Comprehensive  
3 Environmental Response, Compensation, and Liability Act  
4 of 1980 (42 U.S.C. 9620) is amended to read as follows:

5 “(g) TRANSFER OF AUTHORITIES.—

6 “(1) STATE APPLICATION FOR TRANSFER OF  
7 AUTHORITIES.—A State may apply to the Adminis-  
8 trator to exercise the authorities vested in the Ad-  
9 ministrator under subsections (e) and (h) (other  
10 than (h)(2)) of this section at any or all facilities  
11 owned or operated by any department, agency, or in-  
12 strumentality of the United States (including the ex-  
13 ecutive, legislative, and judicial branches of govern-  
14 ment), including the authority—

15 “(A) to review and approve all documents  
16 prepared in connection with any such investiga-  
17 tion and study;

18 “(B) to review and select remedies pursu-  
19 ant to subsection (e)(4)(A); and

20 “(C) to enter into agreements with depart-  
21 ments, agencies, and instrumentalities of the  
22 United States in accordance with subsection  
23 (e)(2), and to enter into consent decrees with  
24 other potentially responsible parties in accord-  
25 ance with subsection (e)(6).

1           “(2) TRANSFER OF AUTHORITIES.—(A) The  
2 Administrator may enter into a contract or coopera-  
3 tive agreement to transfer some or all of the authori-  
4 ties described in paragraph (1) if the Administrator  
5 makes the determinations in subparagraph (B) and  
6 the State agrees to the conditions in subparagraph  
7 (C).

8           “(B) The determinations to be made by the Ad-  
9 ministrator under subparagraph (A) are the follow-  
10 ing:

11               “(i) The State has the ability to exercise  
12 such authorities in accordance with this Act, in-  
13 cluding adequate legal authority, financial and  
14 personnel resources, organization, and exper-  
15 tise.

16               “(ii) The State demonstrates experience in  
17 exercising similar authorities.

18           “(C) The conditions to be agreed to by the  
19 State under subparagraph (A) are the following:

20               “(i) The State will not redelegate any of  
21 the authorities transferred to it by the Adminis-  
22 trator, except as provided in the transfer agree-  
23 ment.

24               “(ii) In the case of a State that is author-  
25 ized to implement a State hazardous waste pro-

1           gram pursuant to section 3006 of the Solid  
2           Waste Disposal Act (42 U.S.C. 6926), the  
3           State will not exercise the authorities under  
4           that Act at the same time and at the same site  
5           as it exercises the authorities transferred to it  
6           under this subsection, with respect to a release  
7           or threat of release being addressed by the au-  
8           thorities transferred to it.

9           “(iii) The State will exercise the authori-  
10          ties transferred to it with respect to each de-  
11          partment, agency, and instrumentality of the  
12          United States in the same manner and to the  
13          same extent, both procedurally and sub-  
14          stantively, as it exercises the authorities with  
15          respect to any non-Federal entity.

16          “(3) EFFECT OF AUTHORIZATION UNDER SOLID  
17          WASTE DISPOSAL ACT.—In the review by the Admin-  
18          istrator of an application of a State for transfer of  
19          authorities under this subsection, if the State is au-  
20          thorized to implement a State hazardous waste pro-  
21          gram pursuant to section 3006 of the Solid Waste  
22          Disposal Act (42 U.S.C. 6926), the following provi-  
23          sions apply:

24                 “(A) With respect to a State that is a sig-  
25                 natory to an interagency agreement under sub-

1 section (e)(2) that is in effect on the effective  
2 date of this subsection, the Administrator, in  
3 making the determinations referred to in para-  
4 graph (2), shall accord substantial weight to the  
5 State's hazardous waste program authorization  
6 and the Administrator's findings in approving  
7 such authorization.

8 “(B) With respect to a State whose au-  
9 thorization under such section 3006 includes  
10 authorization to implement the corrective action  
11 provisions of the Solid Waste Disposal Act, the  
12 Administrator shall approve the application and  
13 provide for the orderly transfer of authorities as  
14 expeditiously as possible, but in no case later  
15 than 6 months after the date of receipt of the  
16 application, unless the parties agree to another  
17 deadline.

18 “(4) EFFECT OF TRANSFER.—Any State to  
19 which authorities are transferred under this sub-  
20 section shall not be deemed to be an agent of the  
21 President but shall exercise such authorities in its  
22 own name, and the Administrator may transfer to a  
23 State only those authorities of the Administrator  
24 identified in this subsection.

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

6           “(6) WITHDRAWAL OF AUTHORITIES.—

7           “(A) IN GENERAL.—The Administrator  
8           may withdraw the authorities transferred under  
9           this subsection in whole or in part if the Ad-  
10          ministrator determines—

11           “(i) that the State, in whole or in  
12           part, is exercising such authorities in a  
13           manner clearly inconsistent with the re-  
14           quirements of this Act; or

15           “(ii) in the case of a State that was  
16           approved under paragraph (3)(B), that the  
17           State is no longer authorized to implement  
18           the corrective action provisions of the Solid  
19           Waste Disposal Act.

20           “(B) REQUIREMENT OF WRITTEN NO-  
21           TICE.—At least 90 days before withdrawing any  
22           such transferred authorities from a State, the  
23           Administrator shall provide to the State a writ-  
24           ten explanation of the reasons for the proposed  
25           withdrawal and afford an opportunity to the

1 State to discuss the withdrawal and to propose  
2 actions to correct any deficiencies.

3 “(7) ENFORCEMENT AND REMEDY SELEC-  
4 TION.—

5 “(A) IN GENERAL.—An interagency agree-  
6 ment under this section between a State (in-  
7 cluding States which are parties to such agree-  
8 ments through the exercise of the Administra-  
9 tor’s authorities pursuant to a cooperative  
10 agreement or contract under this subsection)  
11 and any department, agency, or instrumentality  
12 of the United States, shall be enforceable by the  
13 State or the Federal department, agency, or in-  
14 strumentality in the United States district court  
15 for the district in which the facility is located.  
16 The district court shall have the jurisdiction to  
17 enforce compliance with any provision, stand-  
18 ard, regulation, condition, requirement, order,  
19 or final determination which has become effec-  
20 tive under such agreement, and to impose any  
21 appropriate civil penalty provided for any viola-  
22 tion of the agreement, not to exceed \$25,000  
23 per day.

24 “(B) FAILURE TO CONCUR IN REMEDY SE-  
25 LECTION.—

1           “(i) IN GENERAL.—At Federal facili-  
2 ties where the Administrator’s authorities  
3 under subsection (e)(4) have been trans-  
4 ferred to the State pursuant to this sec-  
5 tion, and the State does not concur in the  
6 remedy selection proposed by the Federal  
7 agency, the parties shall enter into dispute  
8 resolution as provided in the interagency  
9 agreement, provided that the final level for  
10 such disputes concerning remedy selection  
11 shall be to the head of the Federal depart-  
12 ment, agency, or instrumentality and the  
13 Governor of the State.

14           “(ii) STATE REMEDY SELECTION.—If  
15 no agreement is reached between the head  
16 of the Federal department, agency, or in-  
17 strumentality and the Governor, the State  
18 may issue the final determination, except  
19 that the State shall pay or assure the pay-  
20 ment of any additional costs attributable to  
21 carrying out the remedial action selected  
22 by the State.

23           “(8) LIMITATION.—Except for authorities that  
24 are transferred by the Administrator to a State pur-  
25 suant to this subsection, or that are transferred by

1 the Administrator to an officer or employee of the  
2 Environmental Protection Agency, no authority vest-  
3 ed in the Administrator under this section may be  
4 transferred, by Executive order of the President or  
5 otherwise, to any other officer or employee of the  
6 United States or to any other person. Except as nec-  
7 essary to specifically implement the transfer of the  
8 Administrator's authorities to a State pursuant to  
9 this subsection, nothing in this subsection shall be  
10 construed as altering, modifying, or impairing in any  
11 manner, or authorizing the unilateral modification  
12 of, any terms of any agreement, permit, administra-  
13 tive, or judicial order, decree, or interagency agree-  
14 ment existing on the effective date of this sub-  
15 section. Any other modifications or revisions of an  
16 interagency agreement entered into under this sec-  
17 tion shall require the consent of all parties to such  
18 agreement, and absent such consent the agreement  
19 shall remain unchanged. Nothing in this subsection  
20 shall affect the exercise by a State of any other au-  
21 thorities that may be applicable to facilities in such  
22 State.”.

1 **Subtitle B—Superfund and Other**  
2 **Environmental Law Reforms**  
3 **Applicable to Department of De-**  
4 **fense or Department of Energy**

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

8 Section 2701(c) of title 10, United States Code, is  
9 amended by adding at the end the following new para-  
10 graph:

11 “(4) EXEMPTION OF REMEDIAL ACTIONS CON-  
12 DUCTED AT FACILITIES NOT LISTED ON THE NA-  
13 TIONAL PRIORITIES LIST FROM CERTAIN REQUIRE-  
14 MENT.—Notwithstanding subsection (a)(2) and  
15 paragraph (1) of this subsection, the requirement of  
16 section 121(d)(2) of CERCLA (42 U.S.C.  
17 9621(d)(2)) relating to the attainment of a relevant  
18 and appropriate standard, requirement, criteria, or  
19 limitation shall not apply to a remedial action con-  
20 ducted at a facility under the jurisdiction of the Sec-  
21 retary of Defense if the facility is not listed on the  
22 National Priorities 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) is amended by  
9 adding at the end the following new subsection:

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

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

1 spect to any site or facility of the Department of Energy,  
2 may terminate the long-term operation and maintenance  
3 of a completed corrective action in any case in which the  
4 Secretary determines, with the concurrence of the Admin-  
5 istrator or appropriate State or local authorities, that the  
6 release of hazardous waste or constituents at the site or  
7 facility is no longer a threat to human health and the envi-  
8 ronment.”.

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 En-  
13 ergy may not enter into an environmental compliance  
14 agreement, or agree to a major modification of such an  
15 agreement, until after the Secretary submits to Congress  
16 the following information with respect to the agreement  
17 or modification:

18 (1) The total cost of carrying out the agree-  
19 ment or modification, and the total cost of other op-  
20 tions considered for carrying out the requirements  
21 that are the subject of the agreement or modifica-  
22 tion.

23 (2) An estimate of the budget authority and  
24 outlays, by year, required while the agreement or  
25 modification is in effect.

1           (3) The projected cost of carrying out each  
2           milestone in the agreement or modification, and the  
3           schedule for the initiation of activities under each  
4           milestone.

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  
9           of 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 Sec-  
15          retary of Energy, the Administrator of the Environmental  
16          Protection Agency, and the State in which a facility of  
17          the Department of Energy is located that provides for  
18          compliance by the Department of Energy at that facility  
19          with the Comprehensive Environmental Response, Com-  
20          pensation, and Liability Act of 1980 (42 U.S.C. 9601 et  
21          seq.).

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

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

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

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

12 (b) COVERED EXEMPTIONS.—Subsection (a) applies  
13 to any exemption from a covered requirement that is is-  
14 sued—

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

19 (2) by a State in its State implementation plan  
20 for that Act.

21 (c) COVERED REQUIREMENTS.—In this section, the  
22 term “covered requirement” means a requirement referred  
23 to in section 118(a) of the Clean Air Act (42 U.S.C.  
24 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 STORED MILITARY MUNI-**  
5 **TIONS.**

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

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

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

12 “(2) The authority of the Administrator to promul-  
13 gate regulations under this subsection includes the author-  
14 ity to provide for unexpended military munitions in stor-  
15 age to not be considered hazardous waste for purposes of  
16 this subtitle.”.

17 **TITLE IV—MISCELLANEOUS AD-**  
18 **DITIONAL DEFENSE RE-**  
19 **FORMS**

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

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

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

3 “(a) AUTHORIZED CONTRACTS.—After September  
4 30, 1999, the Secretary of the Navy, subject to subsection  
5 (b), may enter into contracts for the long-term lease or  
6 charter of newly built surface vessels, or for the provision  
7 of a service through use by a contractor of newly built  
8 surface vessels, 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  
20 under this section using funds available for obligation dur-  
21 ing the fiscal year for which the payments are required  
22 to be made. Any such contract shall provide that the Unit-  
23 ed States will not be required to make a payment under  
24 the contract (other than a termination payment, if re-  
25 quired) before October 1, 2001.

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

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

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

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

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

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

8       “(h) VESSEL CREWING.—(1) Except as provided in  
9 paragraph (2), the Secretary shall require in any contract  
10 entered into under this section that the crew of any vessel  
11 to which the contract applies be comprised of private sec-  
12 tor commercial mariners.

13       “(2) Paragraph (1) shall not apply to the crewing of  
14 a vessel if—

15               “(A) the vessel is for the combat logistics force  
16 of the Navy; and

17               “(B) the Secretary determines, before the con-  
18 tract with respect to the vessel is entered into, that  
19 crewing of the vessel with Government employees is  
20 essential to maintenance of operational readiness.

21       “(i) CONTINGENT WAIVER OF OTHER PROVISIONS  
22 OF LAW.—A contract authorized by this section may be  
23 entered into without regard to section 2401 or 2401a of  
24 this title if the Secretary of Defense makes the following  
25 findings with respect to that contract:

1           “(1) The need for the vessels or services to be  
2           provided under the contract is expected to remain  
3           substantially unchanged during the contemplated  
4           contract or option period.

5           “(2) There is a reasonable expectation that  
6           throughout the contemplated contract or option pe-  
7           riod the Secretary of the Navy (or, if the contract  
8           is for services to be provided to, and funded by, an-  
9           other military department, the Secretary of that  
10          military department) will request funding for the  
11          contract at the level required to avoid contract can-  
12          cellation.

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

15          “(j) SOURCE OF FUNDS FOR TERMINATION LIABIL-  
16          ITY.—If a contract entered into under this section is ter-  
17          minated, the costs of such termination may be paid  
18          from—

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

21                 “(2) amounts currently available for operation  
22                 and maintenance of the type of vessels or services  
23                 concerned and not otherwise obligated; or

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

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

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

4 **SEC. 402. FIBER-OPTICS BASED TELECOMMUNICATIONS**  
5 **LINKAGE OF MILITARY INSTALLATIONS.**

6 (a) INSTALLATION REQUIRED.—In at least one met-  
7 ropolitan area of the United States containing multiple  
8 military installations of one or more military department  
9 or Defense Agency, the Secretary of Defense shall provide  
10 for the installation of fiber-optics based telecommuni-  
11 cations technology to link as many of the installations in  
12 the area as practicable in a privately dedicated tele-  
13 communications network. The Secretary shall use a com-  
14 petitive process to provide for the installation of the tele-  
15 communications network through one or more new con-  
16 tracts.

17 (b) FEATURES OF NETWORK.—The telecommuni-  
18 cations network shall provide direct access to local and  
19 long distance telephone carriers, allow for transmission of  
20 both classified and unclassified information, and take ad-  
21 vantage of the various capabilities of fiber-optics based  
22 telecommunications technology.

23 (c) TIME FOR INSTALLATION.—The telecommuni-  
24 cations network or networks to be installed under this sec-

1 tion shall be installed and operational not later than Sep-  
2 tember 30, 1999.

3 (d) REPORT ON IMPLEMENTATION.—Not later than  
4 March 1, 1998, the Secretary of Defense shall submit to  
5 the congressional defense committees a report on the im-  
6 plementation of subsections (a) and (b), including the met-  
7 ropolitan area or areas selected for the telecommuni-  
8 cations network, the estimated cost of the network, and  
9 potential areas for the future use of such fiber-optics  
10 based telecommunications technology.

11 **SEC. 403. REPEAL OF REQUIREMENT FOR CONTRACTOR**  
12 **GUARANTEES ON MAJOR WEAPON SYSTEMS.**

13 (a) REPEAL.—Section 2403 of title 10, United States  
14 Code, is repealed.

15 (b) CLERICAL AND CONFORMING AMENDMENTS.—

16 (1) The table of sections at the beginning of chapter 141  
17 of such title is amended by striking out the item relating  
18 to section 2403.

19 (2) Section 803 of the National Defense Authoriza-  
20 tion Act for Fiscal Year 1997 (Public Law 104–201; 110  
21 Stat. 2604; 10 U.S.C. 2430 note) is amended—

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

23 (B) by striking out subsection (c); and

24 (C) by redesignating subsection (d) as sub-  
25 section (c).

1 **SEC. 404. REQUIREMENTS RELATING TO MICRO-PUR-**  
2 **CHASES OF COMMERCIAL ITEMS.**

3 (a) IN GENERAL.—Section 2304 of title 10, United  
4 States Code, is amended by adding at the end the follow-  
5 ing new subsection:

6 “(1) MICRO-PURCHASES.—(1) A contracting officer  
7 may not award a contract or issue a purchase order to  
8 buy commercial items for an amount equal to or less than  
9 the micro-purchase threshold unless a member of the Sen-  
10 ior Executive Service or a general or flag officer makes  
11 a written determination that—

12 “(A) the source or sources available for the  
13 commercial item do not accept a preferred micro-  
14 purchase method, and the contracting officer is seek-  
15 ing a source that does accept such a method; and

16 “(B) the nature of the commercial item neces-  
17 sitates a contract or purchase order so that terms  
18 and conditions can be specified.

19 “(2) In this subsection:

20 “(A) The term ‘micro-purchase threshold’ has  
21 the meaning provided in section 32 of the Office of  
22 Federal Procurement Policy Act (41 U.S.C. 428).

23 “(B) The term ‘preferred micro-purchase meth-  
24 od’ means the use of the Government-wide commer-  
25 cial purchase card or any other method for carrying  
26 out micro-purchases that Secretary of Defense pre-

1 scribes in the regulations implementing this sub-  
2 section.

3 “(3) The Secretary of Defense shall prescribe regula-  
4 tions to implement this subsection. The regulations shall  
5 include such additional preferred methods of carrying out  
6 micro-purchases, and such exceptions to the requirement  
7 of paragraph (1), as the Secretary considers appro-  
8 priate.”.

9 (b) EFFECTIVE DATE.—Subsection (l) of section  
10 2304 of title 10, United States Code, as added by sub-  
11 section (a), shall apply with respect to micro-purchases  
12 made on or after October 1, 1997.

13 **SEC. 405. AVAILABILITY OF SIMPLIFIED PROCEDURES TO**  
14 **COMMERCIAL ITEM PROCUREMENTS.**

15 (a) ARMED SERVICES ACQUISITIONS.—Section  
16 2304(g) of title 10, United States Code, is amended in  
17 paragraph (1)(B) by striking out “only”.

18 (b) CIVILIAN AGENCY ACQUISITIONS.—Section  
19 303(g) of the Federal Property and Administrative Serv-  
20 ices Act of 1949 (41 U.S.C. 253(g)) is amended in para-  
21 graph (1)(B) by striking out “only”.

22 **SEC. 406. TERMINATION OF THE ARMED SERVICES PATENT**  
23 **ADVISORY BOARD.**

24 (a) TERMINATION OF BOARD.—The organization  
25 within the Department of Defense known as the Armed

1 Services Patent Advisory Board is terminated. No funds  
2 available for the Department of Defense may be used for  
3 the operation of that Board after the date specified in sub-  
4 section (c).

5 (b) TRANSFER OF FUNCTIONS.—All functions per-  
6 formed on the day before the date of the enactment of  
7 this Act by the Armed Services Patent Advisory Board  
8 (including performance of the responsibilities of the De-  
9 partment of Defense for security review of patent applica-  
10 tions under chapter 17 of title 35, United States Code)  
11 shall be transferred to the Defense Technology Security  
12 Administration.

13 (c) EFFECTIVE DATE.—Subsection (a) shall take ef-  
14 fect at the end of the 120-day period beginning on the  
15 date of the enactment of this Act.

16 **SEC. 407. COORDINATION OF DEPARTMENT OF DEFENSE**  
17 **CRIMINAL INVESTIGATIONS AND AUDITS.**

18 (a) BOARD ON CRIMINAL INVESTIGATIONS.—Chapter  
19 7 of title 10, United States Code, is amended by adding  
20 at the end the following new section:

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

22 “(a) ESTABLISHMENT.—(1) There is in the Depart-  
23 ment of Defense a Board on Criminal Investigations. The  
24 Board consists of the following officials:

1           “(A) The Under Secretary of Defense (Comp-  
2           troller).

3           “(B) The head of the Army Criminal Investiga-  
4           tion Command.

5           “(C) The head of the Naval Criminal Investiga-  
6           tive Service.

7           “(D) The head of the Air Force Office of Spe-  
8           cial Investigations.

9           “(2) To ensure cooperation between the military de-  
10          partment criminal investigative organizations and the De-  
11          fense Criminal Investigative Service, the Inspector General  
12          of the Department of Defense shall serve as a nonvoting  
13          member of the Board.

14          “(b) FUNCTIONS OF BOARD.—The Board shall pro-  
15          vide for coordination and cooperation between the military  
16          department criminal investigative organizations so as to  
17          avoid duplication of effort and maximize resources avail-  
18          able to the military department criminal investigative or-  
19          ganizations.

20          “(c) REGIONAL WORKING GROUPS.—The Board  
21          shall establish working groups at the regional level to ad-  
22          dress and resolve issues of jurisdictional responsibility that  
23          may arise regarding criminal investigations involving a  
24          military department criminal investigative organization. A  
25          working group shall consist of managers or supervisors of

1 the military department criminal investigative organiza-  
2 tions who have the authority to make binding decisions  
3 regarding which organization will conduct a particular  
4 criminal investigation or whether a criminal investigation  
5 should be conducted jointly.

6 “(d) AUTHORITY OF UNDER SECRETARY OF DE-  
7 FENSE (COMPTROLLER).—In the event that a regional  
8 working group or the Board is unable to resolve an issue  
9 of investigative responsibility, the Under Secretary of De-  
10 fense (Comptroller) shall have the responsibility to make  
11 a final determination regarding the issue.

12 “(e) MILITARY DEPARTMENT CRIMINAL INVESTIGA-  
13 TIVE ORGANIZATION DEFINED.—In this section, the term  
14 ‘military department criminal investigative organization’  
15 means any of the following:

16 “(1) The Army Criminal Investigation Com-  
17 mand.

18 “(2) The Naval Criminal Investigative Service.

19 “(3) The Air Force Office of Special Investiga-  
20 tions.”.

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

1 **“§ 183. Board on Audits**

2 “(a) ESTABLISHMENT.—(1) There is in the Depart-  
3 ment of Defense a Board on Audits. The Board consists  
4 of the following officials:

5 “(A) The Under Secretary of Defense (Comp-  
6 troller).

7 “(B) The Auditor General of the Army.

8 “(C) The Auditor General of the Navy.

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

10 “(E) The director of the Defense Contract  
11 Audit Agency.

12 “(2) To ensure cooperation between the defense au-  
13 diting organizations and the Office of the Inspector Gen-  
14 eral of the Department of Defense, the Inspector General  
15 of the Department of Defense shall serve as a nonvoting  
16 member of the Board.

17 “(b) FUNCTIONS OF BOARD.—The Board shall pro-  
18 vide for coordination and cooperation between the defense  
19 auditing organizations so as to avoid duplication of effort  
20 and maximize resources available to the defense auditing  
21 organizations.

22 “(c) REGIONAL WORKING GROUPS.—The Board  
23 shall establish working groups at the regional level to ad-  
24 dress and resolve issues of jurisdictional responsibility that  
25 may arise regarding audits involving a defense auditing  
26 organization. A working group shall consist of managers

1 or supervisors of the defense auditing organizations who  
2 have the authority to make binding decisions regarding  
3 which defense auditing organization will conduct a par-  
4 ticular audit or whether an audit should be conducted  
5 jointly.

6 “(d) AUTHORITY OF UNDER SECRETARY OF DE-  
7 FENSE (COMPTROLLER).—In the event that a regional  
8 working group or the Board is unable to resolve an issue  
9 of jurisdictional responsibility, the Under Secretary of De-  
10 fense (Comptroller) shall have the responsibility to make  
11 a final determination regarding the issue.

12 “(e) DEFENSE AUDITING ORGANIZATION DE-  
13 FINED.—In this section, the term ‘defense auditing orga-  
14 nization’ means any of the following:

15 “(1) The Army Audit Agency.

16 “(2) The Naval Audit Service.

17 “(3) The Air Force Audit Agency.

18 “(4) The Defense Contract Audit Agency.”.

19 (c) WORKING GUIDANCE.—Not later than December  
20 31, 1997, the Secretary of Defense shall prescribe such  
21 policies as may be necessary for the operation of the Board  
22 on Criminal Investigations and the Board on Audits estab-  
23 lished pursuant to the amendments made by this section.

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

“182. Board on Criminal Investigations.

“183. Board on Audits.”.

4 **SEC. 408. DEPARTMENT OF DEFENSE BOARDS, COMMIS-**  
 5 **SIONS, AND ADVISORY COMMITTEES.**

6 (a) TERMINATION OF EXISTING ADVISORY COMMIT-  
 7 TEES.—(1) Effective December 31, 1998, any advisory  
 8 committee established in, or administered or funded (in  
 9 whole or in part) by, the Department of Defense that (A)  
 10 is in existence on the day before the date of the enactment  
 11 of this Act, and (B) was not established by law, or ex-  
 12 pressly continued by law, after January 1, 1995, is termi-  
 13 nated.

14 (2) For purposes of this section, the term “advisory  
 15 committee” means an entity that is subject to the provi-  
 16 sions of the Federal Advisory Committee Act (5 U.S.C.  
 17 App.).

18 (b) REPORT ON COMMITTEES FOR WHICH CONTINU-  
 19 ATION IS REQUESTED.—Not later than March 1, 1998,  
 20 the Secretary of Defense shall submit to Congress a report  
 21 setting forth those advisory committees subject to sub-  
 22 section (a) that the Secretary proposes to continue. The  
 23 Secretary shall include in the report, for each such com-  
 24 mittee, the justification for continuing the committee and

1 a statement of the costs of such continuation over the next  
2 four fiscal years. The Secretary shall include in the report  
3 a proposal for any legislation that may be required for  
4 the continuations proposed in the report.

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

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

11 “(a) LIMITATION ON ESTABLISHMENT.—No advisory  
12 committee may be established in, or administered or fund-  
13 ed (in whole or in part) by, the Department of Defense  
14 except as specifically provided by law after the date of the  
15 enactment of this section.

16 “(b) TERMINATION OF ADVISORY COMMITTEES.—  
17 Each advisory committee of the Department of Defense  
18 (whether established by law, by the President, or by the  
19 Secretary of Defense) shall terminate not later than the  
20 expiration of the four-year period beginning on the date  
21 of its establishment or on the date of the most recent con-  
22 tinuation of the advisory committee by law.

23 “(c) EXCEPTION FOR TEMPORARY ADVISORY COM-  
24 MITTEES.—Subsection (a) does not apply to an advisory  
25 committee established for a period of one year or less for

1 the purpose (as set forth in the charter of the advisory  
2 committee) of examining a matter that is critical to the  
3 national security of the United States.

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

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

23 (2) The table of sections at the beginning of such  
24 chapter is amended by inserting after the item relating

1 to section 183, as added by section 407(d), the following  
2 new item:

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

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

6 **SEC. 501. ESTABLISHMENT OF COMMISSION.**

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

11 (b) COMPOSITION.—The Commission shall be com-  
12 posed of nine members, appointed as follows:

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

16 (2) Two members shall be appointed by the  
17 ranking minority party member of the Committee on  
18 National Security of the House of Representatives.

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

22 (4) Two members shall be appointed by the  
23 ranking minority party member of the Committee on  
24 Armed Services of the Senate.

1           (5) One member, who shall serve as chairman  
2           of the Commission, shall be appointed by at least  
3           three of the Members of Congress referred to para-  
4           graphs (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.—Mem-  
10          bers shall be appointed for the life of the Commission. Any  
11          vacancy in the Commission shall be filled in the same man-  
12          ner 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  
17          not later than 30 days after the date on which all members  
18          of the Commission have been appointed.

19          (f) SECURITY CLEARANCES.—The Secretary of De-  
20          fense shall expedite the processing of appropriate security  
21          clearances for members of the Commission.

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

23          (a) IN GENERAL.—(1) The Commission shall exam-  
24          ine the missions, functions, and responsibilities of the Of-  
25          fice of the Secretary of Defense, the management head-

1 quarters and headquarters support activities of the mili-  
2 tary departments and Defense Agencies, and the various  
3 acquisition organizations of the Department of Defense  
4 (and the relationships among such Office, activities, and  
5 organizations).

6 (2) On the basis of such examination, the Commis-  
7 sion shall propose alternative organizational structures  
8 and alternative allocations of authorities as it considers  
9 appropriate.

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

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

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

22 (2) An assessment of the adequacy of the  
23 present organizational structure to efficiently and ef-  
24 fectively support the Secretary in carrying out re-

1       sponsibilities in a manner that ensures civilian au-  
2       thority in the Department of Defense.

3           (3) An assessment of the extent of unnecessary  
4       duplication of functions between the Office of the  
5       Secretary of Defense and the Joint Staff.

6           (4) An assessment of the extent of unnecessary  
7       duplication of functions between the Office of the  
8       Secretary of Defense and the military departments.

9           (5) An assessment of the appropriate number of  
10      Under Secretaries of Defense, Assistant Secretaries  
11      of Defense, Deputy Under Secretaries of Defense,  
12      and Deputy Assistant Secretaries of Defense.

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

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

22           (1) An assessment on the adequacy of the  
23      present headquarters organization structure to effi-  
24      ciently and effectively support the mission of the  
25      military departments and the Defense Agencies.

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

4           (3) An assessment of the extent of unnecessary  
5           duplication of functions between the Office of the  
6           Secretary of Defense and headquarters staffs of the  
7           military departments and the Defense Agencies.

8           (4) An assessment of the possible benefits that  
9           could be derived from further functional consolida-  
10          tion between the civilian secretariat of the military  
11          departments and the staffs of the military service  
12          chiefs.

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

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

23                 (1) An assessment of benefits of consolidation  
24                 or selected elimination of Department of Defense ac-  
25                 quisition organizations.

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

10           (3) An assessment of such other defense acqui-  
11 sition infrastructure streamlining or restructuring  
12 options as the Commission considers appropriate.

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

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, re-  
6 ceive evidence, and administer oaths to the extent that the  
7 Commission or any panel or member considers advisable.

8 (b) INFORMATION.—The Commission may secure di-  
9 rectly 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  
12 carry 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  
18 holding hearings.

19 (2) The Commission shall act by resolution agreed  
20 to 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  
26 and determinations made by such a panel shall not be con-

1 sidered the findings and determinations of the Commis-  
2 sion unless approved by the Commission.

3 (d) **AUTHORITY OF INDIVIDUALS TO ACT FOR COM-**  
4 **MISSION.**—Any member or agent of the Commission may,  
5 if authorized by the Commission, take any action which  
6 the 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  
10 Commission.

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

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 per-  
22 sonnel as may be necessary to enable the Commission to  
23 perform its duties. The appointment of a staff director  
24 shall 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  
3 to the provisions of chapter 51 and subchapter III of chap-  
4 ter 53 of title 5, United States Code, relating to classifica-  
5 tion of positions and General Schedule pay rates, except  
6 that the rate of pay fixed under this paragraph for the  
7 staff director may not exceed the rate payable for level  
8 V of the Executive Schedule under section 5316 of such  
9 title and the rate of pay for other personnel may not ex-  
10 ceed the maximum rate payable for grade GS-15 of the  
11 General Schedule.

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

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

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

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

7 (b) **MISCELLANEOUS ADMINISTRATIVE AND SUP-**  
8 **PORT SERVICES.**—The Secretary of Defense shall furnish  
9 the Commission, on a reimbursable basis, any administra-  
10 tive 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 speci-  
17 fying the funds required for the activities of the Commis-  
18 sion, the Secretary of Defense shall promptly disburse to  
19 the Commission, from such amounts, the funds required  
20 by the Commission as stated in such certification.

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

22 The Commission shall terminate 60 days after the  
23 date of the submission of its final report under section  
24 503.

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