

TITLE XXVIII—GENERAL PROVISIONS**Subtitle A—Military Housing Privatization Initiative****SEC. 2801. ALTERNATIVE AUTHORITY FOR CONSTRUCTION AND IMPROVEMENT OF MILITARY HOUSING.**

(a) ALTERNATIVE AUTHORITY TO CONSTRUCT AND IMPROVE MILITARY HOUSING.—(1) Chapter 169 of title 10, United States Code, is amended by adding at the end the following new subchapter:

“SUBCHAPTER IV—ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING

“Sec.

“2871. Definitions.

“2872. General authority.

“2873. Direct loans and loan guarantees.

“2874. Leasing of housing to be constructed.

“2875. Investments in nongovernmental entities.

“2876. Rental guarantees.

“2877. Differential lease payments.

“2878. Conveyance or lease of existing property and facilities.

“2879. Interim leases.

“2880. Unit size and type.

“2881. Ancillary supporting facilities.

“2882. Assignment of members of the armed forces to housing units.

“2883. Department of Defense Housing Funds.

“2884. Reports.

“2885. Expiration of authority.

“§ 2871. Definitions

“In this subchapter:

“(1) The term ‘ancillary supporting facilities’ means facilities related to military housing units, including child care centers, day care centers, tot lots, community centers, housing offices, dining facilities, unit offices, and other similar facilities for the support of military housing.

“(2) The term ‘base closure law’ means the following:

“(A) Section 2687 of this title.

“(B) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note).

“(C) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note).

“(3) The term ‘construction’ means the construction of military housing units and ancillary supporting facilities or the improvement or rehabilitation of existing units or ancillary supporting facilities.

“(4) The term ‘contract’ includes any contract, lease, or other agreement entered into under the authority of this subchapter.

“(5) The term ‘Fund’ means the Department of Defense Family Housing Improvement Fund or the Department of Defense Military Unaccompanied Housing Improvement Fund established under section 2883(a) of this title.

“(6) The term ‘military unaccompanied housing’ means military housing intended to be occupied by members of the armed forces serving a tour of duty unaccompanied by dependents.

“(7) The term ‘United States’ includes the Commonwealth of Puerto Rico.

“§ 2872. General authority

“In addition to any other authority provided under this chapter for the acquisition or construction of military family housing or military unaccompanied housing, the Secretary concerned may exercise any authority or any combination of authorities provided under this subchapter in order to provide for the acquisition or construction by private persons of the following:

“(1) Family housing units on or near military installations within the United States and its territories and possessions.

“(2) Military unaccompanied housing units on or near such military installations.

“§ 2873. Direct loans and loan guarantees

“(a) DIRECT LOANS.—(1) Subject to subsection (c), the Secretary concerned may make direct loans to persons in the private sector in order to provide funds to such persons for the acquisition or construction of housing units that the Secretary determines are suitable for use as military family housing or as military unaccompanied housing.

“(2) The Secretary concerned shall establish such terms and conditions with respect to loans made under this subsection as the Secretary considers appropriate to protect the interests of the United States, including the period and frequency for repayment of such loans and the obligations of the obligors on such loans upon default.

“(b) LOAN GUARANTEES.—(1) Subject to subsection (c), the Secretary concerned may guarantee a loan made to any person in the private sector if the proceeds of the loan are to be used by the person to acquire, or construct housing units that the Secretary determines are suitable for use as military family housing or as military unaccompanied housing.

“(2) The amount of a guarantee on a loan that may be provided under paragraph (1) may not exceed the amount equal to the lesser of—

“(A) the amount equal to 80 percent of the value of the project; or

“(B) the amount of the outstanding principal of the loan.

“(3) The Secretary concerned shall establish such terms and conditions with respect to guarantees of loans under this subsection as the Secretary considers appropriate to protect the interests of the United States, including the rights and obligations of obligors of such loans and the rights and obligations of the United States with respect to such guarantees.

“(c) LIMITATION ON DIRECT LOAN AND GUARANTEE AUTHORITY.—Direct loans and loan guarantees may be made under this section only to the extent that appropriations of budget authority to cover their cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5))) are made in advance, or authority is otherwise provided in appropriation Acts. If such appropriation or other authority is provided, there may be established a financing account (as defined in section 502(7) of such Act (2 U.S.C. 661a(7))), which shall be available for the disbursement of direct loans or payment of claims for payment on loan guarantees under this section and for all other cash flows to and from the Government as a result of direct loans and guarantees made under this section.

“§ 2874. Leasing of housing to be constructed

“(a) BUILD AND LEASE AUTHORIZED.—The Secretary concerned may enter into contracts for the lease of military family housing units or military unaccompanied housing units to be constructed under this subchapter.

“(b) LEASE TERMS.—A contract under this section may be for any period that the Secretary concerned determines appropriate and may provide for the owner of the leased property to operate and maintain the property.

“§ 2875. Investments in nongovernmental entities

“(a) INVESTMENTS AUTHORIZED.—The Secretary concerned may make investments in nongovernmental entities carrying out projects for the acquisition or construction of housing units suitable for use as military family housing or as military unaccompanied housing.

“(b) FORMS OF INVESTMENT.—An investment under this section may take the form of an acquisition of a limited partnership interest by the United States, a purchase of

stock or other equity instruments by the United States, a purchase of bonds or other debt instruments by the United States, or any combination of such forms of investment.

“(c) LIMITATION ON VALUE OF INVESTMENT.—(1) The cash amount of an investment under this section in a nongovernmental entity may not exceed an amount equal to 33⅓ percent of the capital cost (as determined by the Secretary concerned) of the project or projects that the entity proposes to carry out under this section with the investment.

“(2) If the Secretary concerned conveys land or facilities to a nongovernmental entity as all or part of an investment in the entity under this section, the total value of the investment by the Secretary under this section may not exceed an amount equal to 45 percent of the capital cost (as determined by the Secretary) of the project or projects that the entity proposes to carry out under this section with the investment.

“(3) In this subsection, the term ‘capital cost’, with respect to a project for the acquisition or construction of housing, means the total amount of the costs included in the basis of the housing for Federal income tax purposes.

“(d) COLLATERAL INCENTIVE AGREEMENTS.—The Secretary concerned shall enter into collateral incentive agreements with nongovernmental entities in which the Secretary makes an investment under this section to ensure that a suitable preference will be afforded members of the armed forces and their dependents in the lease or purchase, as the case may be, of a reasonable number of the housing units covered by the investment.

“§ 2876. Rental guarantees

“The Secretary concerned may enter into agreements with private persons that acquire or construct military family housing units or military unaccompanied housing units under this subchapter in order to assure—

“(1) the occupancy of such units at levels specified in the agreements; or

“(2) rental income derived from rental of such units at levels specified in the agreements.

“§ 2877. Differential lease payments

“Pursuant to an agreement entered into by the Secretary concerned and a private lessor of military family housing or military unaccompanied housing to members of the armed forces, the Secretary may pay the lessor an amount in addition to the rental payments for the housing made by the members as the Secretary determines appropriate to encourage the lessor to make the housing available to members of the armed forces as military family housing or as military unaccompanied housing.

“§ 2878. Conveyance or lease of existing property and facilities

“(a) CONVEYANCE OR LEASE AUTHORIZED.—The Secretary concerned may convey or lease property or facilities (including ancillary supporting facilities) to private persons for purposes of using the proceeds of such conveyance or lease to carry out activities under this subchapter.

“(b) INAPPLICABILITY TO PROPERTY AT INSTALLATION APPROVED FOR CLOSURE.—The authority of this section does not apply to property or facilities located on or near a military installation approved for closure under a base closure law.

“(c) TERMS AND CONDITIONS.—(1) The conveyance or lease of property or facilities under this section shall be for such consideration and upon such terms and conditions as the Secretary concerned considers appropriate for the purposes of this subchapter and to protect the interests of the United States.

“(2) As part or all of the consideration for a conveyance or lease under this section, the purchaser or lessor (as the case may be) shall enter into an agreement with the Secretary to ensure that a suitable preference will be afforded members of the armed forces and their dependents in the lease or sublease of a reasonable number of the housing units covered by the conveyance or lease, as the case may be, or in the lease of other suitable housing units made available by the purchaser or lessee.

“(d) INAPPLICABILITY OF CERTAIN PROPERTY MANAGEMENT LAWS.—The conveyance or lease of property or facilities under this section shall not be subject to the following provisions of law:

“(1) Section 2667 of this title.

“(2) The Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

“(3) Section 321 of the Act of June 30, 1932 (commonly known as the Economy Act) (40 U.S.C. 303b).

“(4) Section 501 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11401).

“§ 2879. Interim leases

“Pending completion of a project to acquire or construct military family housing units or military unaccompanied housing units under this subchapter, the Secretary concerned may provide for the interim lease of such units of the project as are complete. The term of a lease under this section may not extend beyond the date of the completion of the project concerned.

“§ 2880. Unit size and type

“(a) CONFORMITY WITH SIMILAR HOUSING UNITS IN LOCALE.—The Secretary concerned shall ensure that the room patterns and floor areas of military family housing units and military unaccompanied housing units acquired or constructed under this subchapter are generally comparable to the room patterns and floor areas of similar housing units in the locality concerned.

“(b) INAPPLICABILITY OF LIMITATIONS ON SPACE BY PAY GRADE.—(1) Section 2826 of this title shall not apply to military family housing units acquired or constructed under this subchapter.

“(2) The regulations prescribed under section 2856 of this title shall not apply to any military unaccompanied housing unit acquired or constructed under this subchapter unless the unit is located on a military installation.

“§ 2881. Ancillary supporting facilities

“Any project for the acquisition or construction of military family housing units or military unaccompanied housing units under this subchapter may include the acquisition or construction of ancillary supporting facilities for the housing units concerned.

“§ 2882. Assignment of members of the armed forces to housing units

“(a) IN GENERAL.—The Secretary concerned may assign members of the armed forces to housing units acquired or constructed under this subchapter.

“(b) EFFECT OF CERTAIN ASSIGNMENTS ON ENTITLEMENT TO HOUSING ALLOWANCES.—(1) Except as provided in paragraph (2), housing referred to in subsection (a) shall be considered as quarters of the United States or a housing facility under the jurisdiction of a uniformed service for purposes of section 403(b) of title 37.

“(2) A member of the armed forces who is assigned in accordance with subsection (a) to a housing unit not owned or leased by the United States shall be entitled to a basic allowance for quarters under section 403 of title 37 and, if in a high housing cost area, a variable housing allowance under section 403a of that title.

“(c) LEASE PAYMENTS THROUGH PAY ALLOTMENTS.—The Secretary concerned may require members of the armed forces who lease housing in housing units acquired or constructed under this subchapter to make lease payments for such housing pursuant to allotments of the pay of such members under section 701 of title 37.

“§ 2883. Department of Defense Housing Funds

“(a) ESTABLISHMENT.—There are hereby established on the books of the Treasury the following accounts:

“(1) The Department of Defense Family Housing Improvement Fund.

“(2) The Department of Defense Military Unaccompanied Housing Improvement Fund.

“(b) COMMINGLING OF FUNDS PROHIBITED.—(1) The Secretary of Defense shall administer each Fund separately.

“(2) Amounts in the Department of Defense Family Housing Improvement Fund may be used only to carry out activities under this subchapter with respect to military family housing.

“(3) Amounts in the Department of Defense Military Unaccompanied Housing Improvement Fund may be used only to carry out activities under this subchapter with respect to military unaccompanied housing.

“(c) CREDITS TO FUNDS.—(1) There shall be credited to the Department of Defense Family Housing Improvement Fund the following:

“(A) Amounts authorized for and appropriated to that Fund.

“(B) Subject to subsection (f), any amounts that the Secretary of Defense transfers, in such amounts as provided in appropriation Acts, to that Fund from amounts authorized and appropriated to the Department of Defense for the acquisition or construction of military family housing.

“(C) Proceeds from the conveyance or lease of property or facilities under section 2878 of this title for the purpose of carrying out activities under this subchapter with respect to military family housing.

“(D) Income derived from any activities under this subchapter with respect to military family housing, including interest on loans made under section 2873 of this title, income and gains realized from investments under section 2875 of this title, and any return of capital invested as part of such investments.

“(2) There shall be credited to the Department of Defense Military Unaccompanied Housing Improvement Fund the following:

“(A) Amounts authorized for and appropriated to that Fund.

“(B) Subject to subsection (f), any amounts that the Secretary of Defense transfers, in such amounts as provided in appropriation Acts, to that Fund from amounts authorized and appropriated to the Department of Defense for the acquisition or construction of military unaccompanied housing.

“(C) Proceeds from the conveyance or lease of property or facilities under section 2878 of this title for the purpose of carrying out activities under this subchapter with respect to military unaccompanied housing.

“(D) Income derived from any activities under this subchapter with respect to military unaccompanied housing, including interest on loans made under section 2873 of this title, income and gains realized from investments under section 2875 of this title, and any return of capital invested as part of such investments.

“(d) USE OF AMOUNTS IN FUNDS.—(1) In such amounts as provided in appropriation Acts and except as provided in subsection (e), the Secretary of Defense may use amounts in the Department of Defense Family Housing Improvement Fund to carry out activities under this subchapter with respect to mili-

tary family housing, including activities required in connection with the planning, execution, and administration of contracts entered into under the authority of this subchapter.

“(2) In such amounts as provided in appropriation Acts and except as provided in subsection (e), the Secretary of Defense may use amounts in the Department of Defense Military Unaccompanied Housing Improvement Fund to carry out activities under this subchapter with respect to military unaccompanied housing, including activities required in connection with the planning, execution, and administration of contracts entered into under the authority of this subchapter.

“(3) Amounts made available under this subsection shall remain available until expended. The Secretary of Defense may transfer amounts made available under this subsection to the Secretaries of the military departments to permit such Secretaries to carry out the activities for which such amounts may be used.

“(e) LIMITATION ON OBLIGATIONS.—The Secretary may not incur an obligation under a contract or other agreement entered into under this subchapter in excess of the unobligated balance, at the time the contract is entered into, of the Fund required to be used to satisfy the obligation.

“(f) NOTIFICATION REQUIRED FOR TRANSFERS.—A transfer of appropriated amounts to a Fund under paragraph (1)(B) or (2)(B) of subsection (c) may be made only after the end of the 30-day period beginning on the date the Secretary of Defense submits written notice of, and justification for, the transfer to the appropriate committees of Congress.

“(g) LIMITATION ON AMOUNT OF BUDGET AUTHORITY.—The total value in budget authority of all contracts and investments undertaken using the authorities provided in this subchapter shall not exceed—

“(1) \$850,000,000 for the acquisition or construction of military family housing; and

“(2) \$150,000,000 for the acquisition or construction of military unaccompanied housing.

“§ 2884. Reports

“(a) PROJECT REPORTS.—(1) The Secretary of Defense shall transmit to the appropriate committees of Congress a report describing—

“(A) each contract for the acquisition or construction of family housing units or unaccompanied housing units that the Secretary proposes to solicit under this subchapter; and

“(B) each conveyance or lease proposed under section 2878 of this title.

“(2) The report shall describe the proposed contract, conveyance, or lease and the intended method of participation of the United States in the contract, conveyance, or lease and provide a justification of such method of participation. The report shall be submitted not later than 30 days before the date on which the Secretary issues the contract solicitation or offers the conveyance or lease.

“(b) ANNUAL REPORTS.—The Secretary of Defense shall include each year in the materials that the Secretary submits to Congress in support of the budget submitted by the President pursuant to section 1105 of title 31 the following:

“(1) A report on the expenditures and receipts during the preceding fiscal year covering the Funds established under section 2883 of this title.

“(2) A methodology for evaluating the extent and effectiveness of the use of the authorities under this subchapter during such preceding fiscal year.

“(3) A description of the objectives of the Department of Defense for providing military family housing and military unaccompanied housing for members of the armed forces.

“§ 2885. Expiration of authority

“The authority to enter into a contract under this subchapter shall expire five years after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996.”

(2) The table of subchapters at the beginning of such chapter is amended by inserting after the item relating to subchapter III the following new item:

“IV. Alternative Authority for Acquisition and Improvement of Military Housing 2871”.

(b) FINAL REPORT.—Not later than March 1, 2000, the Secretary of Defense shall submit to the congressional defense committees a report on the use by the Secretary of Defense and the Secretaries of the military departments of the authorities provided by subchapter IV of chapter 169 of title 10, United States Code, as added by subsection (a). The report shall assess the effectiveness of such authority in providing for the construction and improvement of military family housing and military unaccompanied housing.

SEC. 2802. EXPANSION OF AUTHORITY FOR LIMITED PARTNERSHIPS FOR DEVELOPMENT OF MILITARY FAMILY HOUSING.

(a) PARTICIPATION OF OTHER MILITARY DEPARTMENTS.—(1) Subsection (a)(1) of section 2837 of title 10, United States Code, is amended by striking out “of the naval service” and inserting in lieu thereof “of the armed forces”.

(2) Subsection (b)(1) of such section is amended by striking out “of the naval service” and inserting in lieu thereof “of the armed forces”.

(b) ADMINISTRATION.—(1) Subsection (a)(1) of such section is further amended by striking out “the Secretary of the Navy” in the first sentence and inserting in lieu thereof “the Secretary of a military department”.

(2) Subsections (a)(2), (b), (c), (g), and (h) of such section are amended by striking out “Secretary” each place it appears and inserting in lieu thereof “Secretary concerned”.

(c) ACCOUNT.—Subsection (d) of such section is amended to read as follows:

“(d) ACCOUNT.—(1) There is hereby established on the books of the Treasury an account to be known as the ‘Defense Housing Investment Account’.

“(2) There shall be deposited into the Account—

“(A) such funds as may be authorized for and appropriated to the Account;

“(B) any proceeds received by the Secretary concerned from the repayment of investments or profits on investments of the Secretary under subsection (a); and

“(C) any unobligated balances which remain in the Navy Housing Investment Account as of the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996.

“(3) From such amounts as are provided in advance in appropriation Acts, funds in the Account shall be available to the Secretaries concerned in amounts determined by the Secretary of Defense for contracts, investments, and expenses necessary for the implementation of this section.

“(4) The Secretary concerned may not enter into a contract in connection with a limited partnership under subsection (a) or a collateral incentive agreement under subsection (b) unless a sufficient amount of the unobligated balance of the funds in the Account is available to the Secretary, as of the time the contract is entered into, to satisfy the total obligations to be incurred by the United States under the contract.”

(d) TERMINATION OF NAVY HOUSING INVESTMENT BOARD.—Such section is further amended—

(1) by striking out subsection (e); and

(2) in subsection (h)—

(A) by striking out “AUTHORITIES” in the subsection heading and inserting in lieu thereof “AUTHORITY”;

(B) by striking out “(1)”; and

(C) by striking out paragraph (2).

(e) REPORT.—Subsection (f) of such section is amended—

(1) by striking out “the Secretary carries out activities” and inserting in lieu thereof “activities are carried out”; and

(2) by striking out “the Secretary shall” and inserting in lieu thereof “the Secretaries concerned shall jointly”.

(f) EXTENSION OF AUTHORITY.—Subsection (h) of such section is further amended by striking out “September 30, 1999” and inserting in lieu thereof “September 30, 2000”.

(g) CONFORMING AMENDMENT.—Subsection (g) of such section is further amended by striking out “NAVY” in the subsection heading.

Subtitle B—Other Military Construction Program and Military Family Housing Changes**SEC. 2811. SPECIAL THRESHOLD FOR UNSPECIFIED MINOR CONSTRUCTION PROJECTS TO CORRECT LIFE, HEALTH, OR SAFETY DEFICIENCIES.**

(a) SPECIAL THRESHOLD.—Section 2805 of title 10, United States Code, is amended—

(1) in subsection (a)(1), by adding at the end the following new sentence: “However, if the military construction project is intended solely to correct a deficiency that is life-threatening, health-threatening, or safety-threatening, a minor military construction project may have an approved cost equal to or less than \$3,000,000.”; and

(2) in subsection (c)(1), by striking out “not more than \$300,000.” and inserting in lieu thereof “not more than—

“(A) \$1,000,000, in the case of an unspecified military construction project intended solely to correct a deficiency that is life-threatening, health-threatening, or safety-threatening; or

“(B) \$300,000, in the case of any other unspecified military construction project.”.

(b) TECHNICAL AMENDMENT.—Section 2861(b)(6) of such title is amended by striking out “section 2805(a)(2)” and inserting in lieu thereof “section 2805(a)(1)”.

SEC. 2812. CLARIFICATION OF SCOPE OF UNSPECIFIED MINOR CONSTRUCTION AUTHORITY.

Section 2805(a)(1) of title 10, United States Code, as amended by section 2811 of this Act, is further amended by striking out “(1) that is for a single undertaking at a military installation, and (2)” in the second sentence.

SEC. 2813. TEMPORARY AUTHORITY TO WAIVE NET FLOOR AREA LIMITATION FOR FAMILY HOUSING ACQUIRED IN LIEU OF CONSTRUCTION.

Section 2824(c) of title 10, United States Code, is amended by adding at the end the following new sentence: “The Secretary concerned may waive the limitation set forth in the preceding sentence to family housing units acquired under this section during the five-year period beginning on the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996.”

SEC. 2814. REESTABLISHMENT OF AUTHORITY TO WAIVE NET FLOOR AREA LIMITATION ON ACQUISITION BY PURCHASE OF CERTAIN MILITARY FAMILY HOUSING.

Section 2826(e) of title 10, United States Code, is amended by striking out the second sentence.

SEC. 2815. TEMPORARY AUTHORITY TO WAIVE LIMITATIONS ON SPACE BY PAY GRADE FOR MILITARY FAMILY HOUSING UNITS.

Section 2826 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(i)(1) The Secretary concerned may waive the provisions of subsection (a) with respect

to military family housing units constructed, acquired, or improved during the five-year period beginning on the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996.

“(2) The total number of military family housing units constructed, acquired, or improved during any fiscal year in the period referred to in paragraph (1) shall be the total number of such units authorized by law for that fiscal year.”

SEC. 2816. RENTAL OF FAMILY HOUSING IN FOREIGN COUNTRIES.

Section 2828(e) of title 10, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking out “300 units” in the first sentence and inserting in lieu thereof “450 units”; and

(B) by striking out “220 such units” in the second sentence and inserting in lieu thereof “350 such units”; and

(2) in paragraph (2), by striking out “300 units” and inserting in lieu thereof “450 units”.

SEC. 2817. CLARIFICATION OF SCOPE OF REPORT REQUIREMENT ON COST INCREASES UNDER CONTRACTS FOR MILITARY FAMILY HOUSING CONSTRUCTION.

Subsection (d) of section 2853 of title 10, United States Code, is amended to read as follows:

“(d) The limitation on cost increases in subsection (a) does not apply to the settlement of a contractor claim under a contract.”

SEC. 2818. AUTHORITY TO CONVEY DAMAGED OR DETERIORATED MILITARY FAMILY HOUSING.

(a) AUTHORITY.—(1) Subchapter III of chapter 169 of title 10, United States Code, is amended by inserting after section 2854 the following new section:

“§ 2854a. Conveyance of damaged or deteriorated military family housing; use of proceeds

“(a) AUTHORITY TO CONVEY.—(1) The Secretary concerned may convey any family housing facility that, due to damage or deterioration, is in a condition that is uneconomical to repair. Any conveyance of a family housing facility under this section may include a conveyance of the real property associated with the facility conveyed.

“(2) The authority of this section does not apply to family housing facilities located at military installations approved for closure under a base closure law or family housing facilities located at an installation outside the United States at which the Secretary of Defense terminates operations.

“(3) The aggregate total value of the family housing facilities conveyed by the Department of Defense under the authority in this subsection in any fiscal year may not exceed \$5,000,000.

“(4) For purposes of this subsection, a family housing facility is in a condition that is uneconomical to repair if the cost of the necessary repairs for the facility would exceed the amount equal to 70 percent of the cost of constructing a family housing facility to replace such facility.

“(b) CONSIDERATION.—(1) As consideration for the conveyance of a family housing facility under subsection (a), the person to whom the facility is conveyed shall pay the United States an amount equal to the fair market value of the facility conveyed, including any real property conveyed along with the facility.

“(2) The Secretary concerned shall determine the fair market value of any family housing facility and associated real property that is conveyed under subsection (a). Such determination shall be final.

“(c) NOTICE AND WAIT REQUIREMENTS.—The Secretary concerned may not enter into an

agreement to convey a family housing facility under this section until—

“(1) the Secretary submits to the appropriate committees of Congress, in writing, a justification for the conveyance under the agreement, including—

“(A) an estimate of the consideration to be provided the United States under the agreement;

“(B) an estimate of the cost of repairing the family housing facility to be conveyed; and

“(C) an estimate of the cost of replacing the family housing facility to be conveyed; and

“(2) a period of 21 calendar days has elapsed after the date on which the justification is received by the committees.

“(d) INAPPLICABILITY OF CERTAIN PROPERTY DISPOSAL LAWS.—The following provisions of law do not apply to the conveyance of a family housing facility under this section:

“(1) The Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

“(2) Title V of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411 et seq.).

“(e) USE OF PROCEEDS.—(1) The proceeds of any conveyance of a family housing facility under this section shall be credited to the appropriate fund established under section 2883 of this title and shall be available—

“(A) to construct family housing units to replace the family housing facility conveyed under this section, but only to the extent that the number of units constructed with such proceeds does not exceed the number of units of military family housing of the facility conveyed;

“(B) to repair or restore existing military family housing; and

“(C) to reimburse the Secretary concerned for the costs incurred by the Secretary in conveying the family housing facility.

“(2) Notwithstanding section 2883(d) of this title, proceeds derived from a conveyance of a family housing facility under this section shall be available under paragraph (1) without any further appropriation.

“(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of any family housing facility conveyed under this section, including any real property associated with such facility, shall be determined by such means as the Secretary concerned considers satisfactory, including by survey in the case of real property.

“(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary concerned may require such additional terms and conditions in connection with the conveyance of family housing facilities under this section as the Secretary considers appropriate to protect the interests of the United States.”

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 2854 the following new item:

“2854a. Conveyance of damaged or deteriorated military family housing; use of proceeds.”

(b) CONFORMING AMENDMENT.—Section 204(h) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)) is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph (4):

“(4) This subsection does not apply to damaged or deteriorated military family housing facilities conveyed under section 2854a of title 10, United States Code.”

SEC. 2819. ENERGY AND WATER CONSERVATION SAVINGS FOR THE DEPARTMENT OF DEFENSE.

(a) INCLUSION OF WATER EFFICIENT MAINTENANCE IN ENERGY PERFORMANCE PLAN.—Para-

graph (3) of section 2865(a) of title 10, United States Code, is amended by striking out “energy efficient maintenance” and inserting in lieu thereof “energy efficient maintenance or water efficient maintenance”.

(b) SCOPE OF TERM.—Paragraph (4) of such section is amended—

(1) in the matter preceding subparagraph (A), by striking out “energy efficient maintenance” and inserting in lieu thereof “energy efficient maintenance or water efficient maintenance”;

(2) in subparagraph (A), by striking out “systems or industrial processes,” in the matter preceding clause (i) and inserting in lieu thereof “systems, industrial processes, or water efficiency applications,”; and

(3) in subparagraph (B), by inserting “or water cost savings” before the period at the end.

SEC. 2820. EXTENSION OF AUTHORITY TO ENTER INTO LEASES OF LAND FOR SPECIAL OPERATIONS ACTIVITIES.

(a) EXTENSION OF AUTHORITY.—Subsection (d) of section 2680 of title 10, United States Code, is amended in the first sentence by striking out “September 30, 1995” and inserting in lieu thereof “September 30, 2000”.

(b) REPORTING REQUIREMENT.—Such section is further amended by adding at the end the following new subsection:

“(e) REPORTS.—Not later than March 1 of each year, the Secretary of Defense shall submit to the Committee on the Armed Services of the Senate and the Committee on National Security of the House of Representatives a report that—

“(1) identifies each leasehold interest acquired during the previous fiscal year under subsection (a); and

“(2) contains a discussion of each project for the construction or modification of facilities carried out pursuant to subsection (c) during such fiscal year.”

(c) CONFORMING REPEAL.—Section 2863 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190; 10 U.S.C. 2680 note) is amended by striking out subsection (b).

SEC. 2821. DISPOSITION OF AMOUNTS RECOVERED AS A RESULT OF DAMAGE TO REAL PROPERTY.

(a) IN GENERAL.—Chapter 165 of title 10, United States Code, is amended by inserting after section 2781 the following new section:

“§ 2782. Damage to real property: disposition of amounts recovered

“Except as provided in section 2775 of this title, amounts recovered for damage caused to real property under the jurisdiction of the Secretary of a military department or, with respect to the Defense Agencies, under the jurisdiction of the Secretary of Defense shall be credited to the account available for the repair or replacement of the real property at the time of recovery. In such amounts as are provided in advance in appropriation Acts, amounts so credited shall be available for use for the same purposes and under the same circumstances as other funds in the account.”

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2781 the following new item:

“2782. Damage to real property: disposition of amounts recovered.”

SEC. 2822. PILOT PROGRAM TO PROVIDE INTEREST RATE BUY DOWN AUTHORITY ON LOANS FOR HOUSING WITHIN HOUSING SHORTAGE AREAS AT MILITARY INSTALLATIONS.

(a) SHORT TITLE.—This section may be cited as the “Military Housing Assistance Act of 1995”.

(b) MORTGAGE ASSISTANCE PAYMENT AUTHORITY OF THE SECRETARY OF VETERANS AFFAIRS.—(1) Chapter 37 of title 38, United

States Code, is amended by inserting after section 3707 the following:

“§ 3708. Authority to buy down interest rates: pilot program

“(a) In order to enable the purchase of housing in areas where the supply of suitable military housing is inadequate, the Secretary may conduct a pilot program under which the Secretary may make periodic or lump sum assistance payments on behalf of an eligible veteran for the purpose of buying down the interest rate on a loan to that veteran that is guaranteed under this chapter for a purpose described in paragraph (1), (6), or (10) of section 3710(a) of this title.

“(b) An individual is an eligible veteran for the purposes of this section if—

“(1) the individual is a veteran, as defined in section 3701(b)(4) of this title;

“(2) the individual submits an application for a loan guaranteed under this chapter within one year of an assignment of the individual to duty at a military installation in the United States designated by the Secretary of Defense as a housing shortage area;

“(3) at the time the loan referred to in subsection (a) is made, the individual is an enlisted member, warrant officer, or an officer (other than a warrant officer) at a pay grade of O-3 or below;

“(4) the individual has not previously used any of the individual's entitlement to housing loan benefits under this chapter; and

“(5) the individual receives comprehensive prepurchase counseling from the Secretary (or the designee of the Secretary) before making application for a loan guaranteed under this chapter.

“(c) Loans with respect to which the Secretary may exercise the buy down authority under subsection (a) shall—

“(1) provide for a buy down period of not more than three years in duration;

“(2) specify the maximum and likely amounts of increases in mortgage payments that the loans would require; and

“(3) be subject to such other terms and conditions as the Secretary may prescribe by regulation.

“(d) The Secretary shall promulgate underwriting standards for loans for which the interest rate assistance payments may be made under subsection (a). Such standards shall be based on the interest rate for the second year of the loan.

“(e) The Secretary or lender shall provide comprehensive prepurchase counseling to eligible veterans explaining the features of interest rate buy downs under subsection (a), including a hypothetical payment schedule that displays the increases in monthly payments to the mortgagor over the first five years of the mortgage term. For the purposes of this subsection, the Secretary may assign personnel to military installations referred to in subsection (b)(2).

“(f) There is authorized to be appropriated \$3,000,000 annually to carry out this section.

“(g) The Secretary may not guarantee a loan under this chapter after September 30, 1998, on which the Secretary is obligated to make payments under this section.”

(2) The table of sections at the beginning of chapter 37 of title 38, United States Code, is amended by inserting after the item relating to section 3707 the following new item:

“3708. Authority to buy down interest rates: pilot program.”

(c) AUTHORITY OF SECRETARY OF DEFENSE.—

(1) REIMBURSEMENT FOR BUY DOWN COSTS.—The Secretary of Defense shall reimburse the Secretary of Veterans Affairs for amounts paid by the Secretary of Veterans Affairs to mortgagees under section 3708 of title 38, United States Code, as added by subsection (b).

(2) DESIGNATION OF HOUSING SHORTAGE AREAS.—For purposes of section 3708 of title

38, United States Code, the Secretary of Defense may designate as a housing shortage area a military installation in the United States at which the Secretary determines there is a shortage of suitable housing to meet the military family needs of members of the Armed Forces and the dependents of such members.

(3) REPORT.—Not later than March 30, 1998, the Secretary shall submit to Congress a report regarding the effectiveness of the authority provided in section 3708 of title 38, United States Code, in ensuring that members of the Armed Forces and their dependents have access to suitable housing. The report shall include the recommendations of the Secretary regarding whether the authority provided in this subsection should be extended beyond the date specified in paragraph (5).

(4) EARMARK.—Of the amount provided in section 2405(a)(1)(B), \$10,000,000 for fiscal year 1996 shall be available to carry out this subsection.

(5) SUNSET.—This subsection shall not apply with respect to housing loans guaranteed after September 30, 1998, for which assistance payments are paid under section 3708 of title 38, United States Code.

Subtitle C—Defense Base Closure and Realignment

SEC. 2831. DEPOSIT OF PROCEEDS FROM LEASES OF PROPERTY LOCATED AT INSTALLATIONS BEING CLOSED OR REALIGNED.

(a) EXCEPTION TO EXISTING REQUIREMENTS.—Section 2667(d) of title 10, United States Code, is amended—

(1) in paragraph (1)(A)(ii), by inserting “or (5)” after “paragraph (4)”; and

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

“(5) Money rentals received by the United States from a lease under subsection (f) shall be deposited into the account established under section 2906(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note).”

(b) CORRESPONDING AMENDMENTS TO BASE CLOSURE LAWS.—(1) Section 207(a)(7) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note) is amended by striking out “transfer or disposal” and inserting in lieu thereof “lease, transfer, or disposal”.

(2) Section 2906(a)(2) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended—

(A) in subparagraph (C), by striking out “transfer or disposal” and inserting in lieu thereof “lease, transfer, or disposal”; and

(B) in subparagraph (D), by striking out “transfer or disposal” and inserting in lieu thereof “lease, transfer, or disposal”.

SEC. 2832. IN-KIND CONSIDERATION FOR LEASES AT INSTALLATIONS TO BE CLOSED OR REALIGNED.

Section 2667(f) of title 10, United States Code, is amended by adding at the end the following new paragraph:

“(4) The Secretary concerned may accept under subsection (b)(5) services of a lessee for an entire installation to be closed or realigned under a base closure law, or for any part of such installation, without regard to the requirement in subsection (b)(5) that a substantial part of the installation be leased.”

SEC. 2833. INTERIM LEASES OF PROPERTY APPROVED FOR CLOSURE OR REALIGNMENT.

Section 2667(f) of title 10, United States Code, is amended by adding after paragraph (4), as added by section 2832 of this Act, the following new paragraph:

“(5)(A) Notwithstanding the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the scope of any environmental impact analysis necessary to support an interim lease of property under this subsection shall be limited to the environmental consequences of activities authorized under the proposed lease and the cumulative impacts of other past, present, and reasonably foreseeable future actions during the period of the proposed lease.

“(B) Interim leases entered into under this subsection shall be deemed not to prejudice the final disposal decision with respect to the property, even if final disposal of the property is delayed until completion of the term of the interim lease. An interim lease under this subsection shall not be entered into without prior consultation with the redevelopment authority concerned.

“(C) Subparagraphs (A) and (B) shall not apply to an interim lease under this subsection if authorized activities under the lease would—

“(i) significantly affect the quality of the human environment; or

“(ii) irreversibly alter the environment in a way that would preclude any reasonable disposal alternative of the property concerned.”

SEC. 2834. AUTHORITY TO LEASE PROPERTY REQUIRING ENVIRONMENTAL REMEDIATION AT INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT.

Section 120(h)(3) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)(3)) is amended in the matter following subparagraph (C)—

(1) by striking out the first sentence; and

(2) by adding at the end, flush to the paragraph margin, the following:

“The requirements of subparagraph (B) shall not apply in any case in which the person or entity to whom the real property is transferred is a potentially responsible party with respect to such property. The requirements of subparagraph (B) shall not apply in any case in which the transfer of the property occurs or has occurred by means of a lease, without regard to whether the lessee has agreed to purchase the property or whether the duration of the lease is longer than 55 years. In the case of a lease entered into after September 30, 1995, with respect to real property located at an installation approved for closure or realignment under a base closure law, the agency leasing the property, in consultation with the Administrator, shall determine before leasing the property that the property is suitable for lease, that the uses contemplated for the lease are consistent with protection of human health and the environment, and that there are adequate assurances that the United States will take all remedial action referred to in subparagraph (B) that has not been taken on the date of the lease.”

SEC. 2835. FINAL FUNDING FOR DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION.

Section 2902(k) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended by adding at the end the following new paragraph:

“(3)(A) The Secretary may transfer not more than \$300,000 from unobligated funds in the account referred to in subparagraph (B) for the purpose of assisting the Commission in carrying out its duties under this part during October, November, and December 1995. Funds transferred under the preceding sentence shall remain available until December 31, 1995.

“(B) The account referred to in subparagraph (A) is the Department of Defense Base Closure Account established under section

207(a) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note).”

SEC. 2836. EXERCISE OF AUTHORITY DELEGATED BY THE ADMINISTRATOR OF GENERAL SERVICES.

Section 2905(b)(2) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (A)—

(A) by striking out “Subject to subparagraph (C)” in the matter preceding clause (i) and inserting in lieu thereof “Subject to subparagraph (B)”; and

(B) by striking out “in effect on the date of the enactment of this Act” each place it appears in clauses (i) and (ii);

(2) by striking out subparagraphs (B) and (C) and inserting in lieu thereof the following new subparagraph (B):

“(B) The Secretary may, with the concurrence of the Administrator of General Services—

“(i) prescribe general policies and methods for utilizing excess property and disposing of surplus property pursuant to the authority delegated under paragraph (1); and

“(ii) issue regulations relating to such policies and methods, which shall supersede the regulations referred to in subparagraph (A) with respect to that authority.”; and

(3) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

SEC. 2837. LEASE BACK OF PROPERTY DISPOSED FROM INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT.

(a) AUTHORITY.—Section 2905(b)(4) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended—

(1) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively; and

(2) by inserting after subparagraph (B) the following new subparagraph (C):

“(C)(i) The Secretary may transfer real property at an installation approved for closure or realignment under this part (including property at an installation approved for realignment which will be retained by the Department of Defense or another Federal agency after realignment) to the redevelopment authority for the installation if the redevelopment authority agrees to lease, directly upon transfer, one or more portions of the property transferred under this subparagraph to the Secretary or to the head of another department or agency of the Federal Government. Subparagraph (B) shall apply to a transfer under this subparagraph.

“(ii) A lease under clause (i) shall be for a term of not to exceed 50 years, but may provide for options for renewal or extension of the term by the department or agency concerned.

“(iii) A lease under clause (i) may not require rental payments by the United States.

“(iv) A lease under clause (i) shall include a provision specifying that if the department or agency concerned ceases requiring the use of the leased property before the expiration of the term of the lease, the remainder of the lease term may be satisfied by the same or another department or agency of the Federal Government using the property for a use similar to the use under the lease. Exercise of the authority provided by this clause shall be made in consultation with the redevelopment authority concerned.”

(b) USE OF FUNDS TO IMPROVE LEASED PROPERTY.—Notwithstanding any other provision of law, a department or agency of the Federal Government that enters into a lease of property under section 2905(b)(4)(C) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law

101-510; 10 U.S.C. 2687 note), as amended by subsection (a), may improve the leased property using funds appropriated or otherwise available to the department or agency for such purpose.

SEC. 2838. IMPROVEMENT OF BASE CLOSURE AND REALIGNMENT PROCESS REGARDING DISPOSAL OF PROPERTY.

(a) **APPLICABILITY.**—Subparagraph (A) of section 2905(b)(7) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended to read as follows:

“(A) The disposal of buildings and property located at installations approved for closure or realignment under this part after October 25, 1994, shall be carried out in accordance with this paragraph rather than paragraph (6).”.

(b) **AGREEMENTS UNDER REDEVELOPMENT PLANS.**—Subparagraph (F)(ii)(I) of such section is amended in the second sentence by striking out “the approval of the redevelopment plan by the Secretary of Housing and Urban Development under subparagraph (H) or (J)” and inserting in lieu thereof “the decision regarding the disposal of the buildings and property covered by the agreements by the Secretary of Defense under subparagraph (K) or (L)”.

(c) **REVISION OF REDEVELOPMENT PLANS.**—Subparagraph (I) of such section is amended—

(1) in clause (i)(II), by inserting “the Secretary of Defense and” before “the Secretary of Housing and Urban Development”; and

(2) in clause (ii), by striking out “the Secretary of Housing and Urban Development” and inserting in lieu thereof “such Secretaries”.

(d) **DISPOSAL OF BUILDINGS AND PROPERTY.**—(1) Subparagraph (K) of such section is amended to read as follows:

“(K)(i) Upon receipt of a notice under subparagraph (H)(iv) or (J)(ii) of the determination of the Secretary of Housing and Urban Development that a redevelopment plan for an installation meets the requirements set forth in subparagraph (H)(i), the Secretary of Defense shall dispose of the buildings and property at the installation.

“(ii) For purposes of carrying out an environmental assessment of the closure or realignment of an installation, the Secretary of Defense shall treat the redevelopment plan for the installation (including the aspects of the plan providing for disposal to State or local governments, representatives of the homeless, and other interested parties) as part of the proposed Federal action for the installation.

“(iii) The Secretary of Defense shall dispose of buildings and property under clause (i) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.). In preparing the record of decision or other decision document, the Secretary shall give substantial deference to the redevelopment plan concerned.

“(iv) The disposal under clause (i) of buildings and property to assist the homeless shall be without consideration.

“(v) In the case of a request for a conveyance under clause (i) of buildings and property for public benefit under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) or sections 47151 through 47153 of title 49, United States Code, the sponsoring Federal agency shall use the eligibility criteria set forth in such section or such subchapter (as the case may be) to determine the eligibility of the applicant and use proposed in the request for the public benefit conveyance. The determination of such eligibility should be made before submission of the redevelopment plan concerned under subparagraph (G).”.

(e) **CONFORMING AMENDMENT.**—Subparagraph (M)(i) of such section is amended by inserting “or (L)” after “subparagraph (K)”.
(f) **CLARIFICATION OF PARTICIPANTS IN PROCESS.**—Such section is further amended by adding at the end the following new subparagraph:

(2) Subparagraph (L) of such section is amended by striking out clauses (iii) and (iv) and inserting in lieu thereof the following new clauses (iii) and (iv):

“(iii) Not later than 90 days after the date of the receipt of a revised plan for an installation under subparagraph (J), the Secretary of Housing and Urban Development shall—

“(I) notify the Secretary of Defense and the redevelopment authority concerned of the buildings and property at an installation under clause (i)(IV) that the Secretary of Housing and Urban Development determines are suitable for use to assist the homeless; and

“(II) notify the Secretary of Defense of the extent to which the revised plan meets the criteria set forth in subparagraph (H)(i).

“(iv)(I) Upon notice from the Secretary of Housing and Urban Development with respect to an installation under clause (iii), the Secretary of Defense shall dispose of buildings and property at the installation in consultation with the Secretary of Housing and Urban Development and the redevelopment authority concerned.

“(II) For purposes of carrying out an environmental assessment of the closure or realignment of an installation, the Secretary of Defense shall treat the redevelopment plan submitted by the redevelopment authority for the installation (including the aspects of the plan providing for disposal to State or local governments, representatives of the homeless, and other interested parties) as part of the proposed Federal action for the installation. The Secretary of Defense shall incorporate the notification of the Secretary of Housing and Urban Development under clause (iii)(I) as part of the proposed Federal action for the installation only to the extent, if any, that the Secretary of Defense considers such incorporation to be appropriate and consistent with the best and highest use of the installation as a whole, taking into consideration the redevelopment plan submitted by the redevelopment authority.

“(III) The Secretary of Defense shall dispose of buildings and property under subclause (I) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.). In preparing the record of decision or other decision document, the Secretary shall give deference to the redevelopment plan submitted by the redevelopment authority for the installation.

“(IV) The disposal under subclause (I) of buildings and property to assist the homeless shall be without consideration.

“(V) In the case of a request for a conveyance under subclause (I) of buildings and property for public benefit under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) or sections 47151 through 47153 of title 49, United States Code, the sponsoring Federal agency shall use the eligibility criteria set forth in such section or such subchapter (as the case may be) to determine the eligibility of the applicant and use proposed in the request for the public benefit conveyance. The determination of such eligibility should be made before submission of the redevelopment plan concerned under subparagraph (G).”.

(e) **CONFORMING AMENDMENT.**—Subparagraph (M)(i) of such section is amended by inserting “or (L)” after “subparagraph (K)”.
(f) **CLARIFICATION OF PARTICIPANTS IN PROCESS.**—Such section is further amended by adding at the end the following new subparagraph:

“(P) For purposes of this paragraph, the term ‘other interested parties’, in the case of an installation, includes any parties eligible for the conveyance of property of the instal-

lation under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) or sections 47151 through 47153 of title 49, United States Code, whether or not the parties assist the homeless.”.

SEC. 2839. AGREEMENTS FOR CERTAIN SERVICES AT INSTALLATIONS BEING CLOSED.

(a) **1988 LAW.**—Section 204(b)(8) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note) is amended by striking out subparagraph (A) and inserting in lieu thereof the following new subparagraph:

“(A) Subject to subparagraph (C), the Secretary may enter into agreements (including contracts, cooperative agreements, or other arrangements for reimbursement) with local governments for the provision of police or security services, fire protection services, airfield operation services, or other community services by such governments at military installations to be closed under this title if the Secretary determines that the provision of such services under such agreements is in the best interests of the Department of Defense.”.

(b) **1990 LAW.**—Section 2905(b)(8) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended by striking out subparagraph (A) and inserting in lieu thereof the following new subparagraph:

“(A) Subject to subparagraph (C), the Secretary may enter into agreements (including contracts, cooperative agreements, or other arrangements for reimbursement) with local governments for the provision of police or security services, fire protection services, airfield operation services, or other community services by such governments at military installations to be closed under this part if the Secretary determines that the provision of such services under such agreements is in the best interests of the Department of Defense.”.

SEC. 2840. AUTHORITY TO TRANSFER PROPERTY AT MILITARY INSTALLATIONS TO BE CLOSED TO PERSONS WHO CONSTRUCT OR PROVIDE MILITARY FAMILY HOUSING.

(a) **1988 LAW.**—Section 204 of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note) is amended by adding at the end the following new subsection:

“(e) **TRANSFER AUTHORITY IN CONNECTION WITH CONSTRUCTION OR PROVISION OF MILITARY FAMILY HOUSING.**—(1) Subject to paragraph (2), the Secretary may enter into an agreement to transfer by deed real property or facilities located at or near an installation closed or to be closed under this title with any person who agrees, in exchange for the real property or facilities, to transfer to the Secretary housing units that are constructed or provided by the person and located at or near a military installation at which there is a shortage of suitable housing to meet the requirements of members of the Armed Forces and their dependents. The Secretary may not select real property for transfer under this paragraph if the property is identified in the redevelopment plan for the installation as items essential to the reuse or redevelopment of the installation.

“(2) A transfer of real property or facilities may be made under paragraph (1) only if—

“(A) the fair market value of the housing units to be received by the Secretary in exchange for the property or facilities to be transferred is equal to or greater than the fair market value of such property or facilities, as determined by the Secretary; or

“(B) in the event the fair market value of the housing units is less than the fair market value of property or facilities to be

transferred, the recipient of the property or facilities agrees to pay to the Secretary the amount equal to the excess of the fair market value of the property or facilities over the fair market value of the housing units.

“(3) Notwithstanding section 207(a)(7), the Secretary may deposit funds received under paragraph (2)(B) in the Department of Defense Family Housing Improvement Fund established under section 2873(a) of title 10, United States Code.

“(4) The Secretary shall submit to the appropriate committees of Congress a report describing each agreement proposed to be entered into under paragraph (1), including the consideration to be received by the United States under the agreement. The Secretary may not enter into the agreement until the end of the 21-day period beginning on the date the appropriate committees of Congress receive the report regarding the agreement.

“(5) The Secretary may require any additional terms and conditions in connection with an agreement authorized by this subsection as the Secretary considers appropriate to protect the interests of the United States.”

(b) 1990 LAW.—Section 2905 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended by adding at the end the following new subsection:

“(f) TRANSFER AUTHORITY IN CONNECTION WITH CONSTRUCTION OR PROVISION OF MILITARY FAMILY HOUSING.—(1) Subject to paragraph (2), the Secretary may enter into an agreement to transfer by deed real property or facilities located at or near an installation closed or to be closed under this part with any person who agrees, in exchange for the real property or facilities, to transfer to the Secretary housing units that are constructed or provided by the person and located at or near a military installation at which there is a shortage of suitable housing to meet the requirements of members of the Armed Forces and their dependents. The Secretary may not select real property for transfer under this paragraph if the property is identified in the redevelopment plan for the installation as property essential to the reuse or redevelopment of the installation.

“(2) A transfer of real property or facilities may be made under paragraph (1) only if—

“(A) the fair market value of the housing units to be received by the Secretary in exchange for the property or facilities to be transferred is equal to or greater than the fair market value of such property or facilities, as determined by the Secretary; or

“(B) in the event the fair market value of the housing units is less than the fair market value of property or facilities to be transferred, the recipient of the property or facilities agrees to pay to the Secretary the amount equal to the excess of the fair market value of the property or facilities over the fair market value of the housing units.

“(3) Notwithstanding paragraph (2) of section 2906(a), the Secretary may deposit funds received under paragraph (2)(B) in the Department of Defense Family Housing Improvement Fund established under section 2873(a) of title 10, United States Code.

“(4) The Secretary shall submit to the congressional defense committees a report describing each agreement proposed to be entered into under paragraph (1), including the consideration to be received by the United States under the agreement. The Secretary may not enter into the agreement until the end of the 30-day period beginning on the date the congressional defense committees receive the report regarding the agreement.

“(5) The Secretary may require any additional terms and conditions in connection with an agreement authorized by this subsection as the Secretary considers appropriate to protect the interests of the United States.”

(c) REGULATIONS.—Not later than nine months after the date of the enactment of this Act, the Secretary of Defense shall prescribe any regulations necessary to carry out subsection (e) of section 204 of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note), as added by subsection (a), and subsection (f) of section 2905 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note), as added by subsection (b).

SEC. 2841. USE OF SINGLE BASE CLOSURE AUTHORITIES FOR DISPOSAL OF PROPERTY AND FACILITIES AT FORT HOLABIRD, MARYLAND.

(a) CONSOLIDATION OF BASE CLOSURE AUTHORITIES.—In the case of the property and facilities at Fort Holabird, Maryland, described in subsection (b), the Secretary of Defense shall dispose of such property and facilities in accordance with section 2905(b)(7) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note), as amended by section 2838 of this Act.

(b) COVERED PROPERTY AND FACILITIES.—Subsection (a) applies to the following property and facilities at Fort Holabird, Maryland:

(1) Property and facilities that were approved for closure or realignment under title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note), but have not been disposed of as of the date of the enactment of this Act, including buildings 305 and 306 and the parking lots and other property associated with such buildings.

(2) Property and facilities that were approved in 1995 for closure or realignment under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note).

(c) USE OF SURVEYS AND OTHER EVALUATIONS OF PROPERTY.—In carrying out the disposal of the property and facilities referred to in subsection (b)(1), the Secretary shall utilize any surveys and other evaluations of such property and facilities that were prepared by the Corps of Engineers before the date of the enactment of this Act as part of the process for the disposal of such property and facilities.

Subtitle D—Land Conveyances Generally
PART I—ARMY CONVEYANCES

SEC. 2851. TRANSFER OF JURISDICTION, FORT SAM HOUSTON, TEXAS.

(a) TRANSFER OF LAND FOR NATIONAL CEMETERY.—The Secretary of the Army may transfer, without reimbursement, to the administrative jurisdiction of the Secretary of Veterans Affairs a parcel of real property (including any improvements thereon) consisting of approximately 53 acres and comprising a portion of Fort Sam Houston, Texas.

(b) USE OF LAND.—The Secretary of Veterans Affairs shall use the real property transferred under subsection (a) as a national cemetery under chapter 24 of title 38, United States Code.

(c) LEGAL DESCRIPTION.—The exact acreage and legal description of the real property to be transferred under this section shall be determined by a survey satisfactory to the Secretary of the Army. The cost of the survey shall be borne by the Secretary of Veterans Affairs.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Army may require such additional terms and conditions in connection with the transfer under this section as the Secretary of the Army considers appropriate to protect the interests of the United States.

SEC. 2852. TRANSFER OF JURISDICTION, FORT BLISS, TEXAS.

(a) TRANSFER OF LAND FOR NATIONAL CEMETERY.—The Secretary of the Army may transfer, without reimbursement, to the administrative jurisdiction of the Secretary of Veterans Affairs a parcel of real property (including any improvements thereon) consisting of approximately 22 acres and comprising a portion of Fort Bliss, Texas.

(b) USE OF LAND.—The Secretary of Veterans Affairs shall use the real property transferred under subsection (a) as an addition to the Fort Bliss National Cemetery and administer such real property pursuant to chapter 24 of title 38, United States Code.

(c) LEGAL DESCRIPTION.—The exact acreage and legal description of the real property to be transferred under this section shall be determined by a survey satisfactory to the Secretary of the Army. The cost of the survey shall be borne by the Secretary of Veterans Affairs.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Army may require such additional terms and conditions in connection with the transfer under this section as the Secretary of the Army considers appropriate to protect the interests of the United States.

SEC. 2853. TRANSFER OF JURISDICTION AND LAND CONVEYANCE, FORT DEVENS MILITARY RESERVATION, MASSACHUSETTS.

(a) TRANSFER OF LAND FOR WILDLIFE REFUGE.—Subject to subsections (b) and (c), the Secretary of the Army shall transfer, without reimbursement, to the administrative jurisdiction of the Secretary of the Interior that portion of Fort Devens Military Reservation, Massachusetts, that is situated south of Massachusetts State Route 2, for inclusion in the Oxbow National Wildlife Refuge.

(b) LAND CONVEYANCE.—Subject to subsection (c), the Secretary of the Army shall convey to the Town of Lancaster, Massachusetts (in this section referred to as the “Town”), all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 100 acres of the parcel available for transfer under subsection (a) and located adjacent to Massachusetts State Highway 70.

(c) REQUIREMENTS RELATING TO TRANSFER AND CONVEYANCE.—(1) The transfer under subsection (a) and the conveyance under subsection (b) may not be made unless the property to be transferred and conveyed is determined to be excess to the needs of the Department of Defense.

(2) The transfer and conveyance shall be made as soon as practicable after the date on which the property is determined to be excess to the needs of the Department of Defense.

(d) LEGAL DESCRIPTION.—(1) The exact acreage and legal description of the real property to be transferred under subsection (a) shall be determined by a survey mutually satisfactory to the Secretary of the Army and the Secretary of the Interior. The cost of the survey shall be borne by the Secretary of the Interior.

(2) The exact acreage and legal description of the real property to be conveyed under subsection (b) shall be determined by a survey mutually satisfactory to the Secretary of the Army, the Secretary of the Interior, and the Board of Selectmen of the Town. The cost of the survey shall be borne by the Town.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Army may require such additional terms and conditions in connection with the transfer under subsection (a) and the conveyance under subsection (b) as the Secretary of the Army considers appropriate to protect the interests of the United States.

SEC. 2854. MODIFICATION OF LAND CONVEYANCE, FORT BELVOIR, VIRGINIA.

(a) DESIGNATION OF RECIPIENT.—Subsection (a) of section 2821 of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101-189; 103 Stat. 1658) is amended by striking out “any grantee selected in accordance with subsection (e)” and inserting in lieu thereof “the County of Fairfax, Virginia (in this section referred to as the ‘grantee’).”

(b) CONSIDERATION.—Subsection (b)(1) of such section is amended by striking out subparagraph (B) and inserting in lieu thereof the following new subparagraph:

“(B) grant title, free of liens and other encumbrances, to the Department to such facilities and, if not already owned by the Department, to the underlying land; and”.

(c) CONTENT OF AGREEMENT.—Subsection (c) of such section is amended to read as follows:

“(c) CONTENT OF AGREEMENT.—An agreement entered into under this section shall include the following:

“(1) A requirement that the grantee construct facilities and make infrastructure improvements for the Department of the Army that the Secretary determines are necessary for the Department at Fort Belvoir and at other sites at which activities will be relocated as a result of the conveyance made under this section.

“(2) A requirement that the construction of facilities and infrastructure improvements referred to in paragraph (1) be carried out in accordance with plans and specifications approved by the Secretary.

“(3) A requirement that the Secretary retain a lien or other security interest against the property conveyed to the grantee in the amount of the fair market value of the property, as determined under subsection (b)(2). The agreement will specify the terms for releasing the lien or other security interest, in whole or in part. In the event of default by the County on its obligations under the terms of the agreement, the Secretary shall enforce the lien or security interest. The proceeds obtained through enforcing the lien or security interest may be used by the Secretary to construct facilities and make infrastructure improvements in lieu of those provided for in the agreement.”

(d) SURVEYS.—Subsection (g) of such section is amended by striking out the last sentence and inserting in lieu thereof the following: “The grantee shall be responsible for completing any such survey without cost to the United States.”

(e) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by striking out “Subject to subsections (b) through (h), the” and inserting in lieu thereof “The”;

(2) in subsection (b)(1), by striking out “subsection (c)(1)(D)” both places it appears and inserting in lieu thereof “subsection (c)(1)(A)”;

(3) by striking out subsections (e) and (f); and

(4) by redesignating subsections (g) and (h) as subsections (e) and (f), respectively.

SEC. 2855. LAND EXCHANGE, FORT LEWIS, WASHINGTON.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to Weyerhaeuser Real Estate Company, Tacoma, Washington (in this section referred to as “WRECO”), all right, title, and interest of the United States in and to a parcel of real property at Fort Lewis, Washington, known as an unimproved portion of Tract 1000 (formerly being in the DuPont Steilacoom Road, consisting of approximately 1.23 acres), and Tract 26E (consisting of 0.03 acre).

(b) CONSIDERATION.—As consideration for the conveyance authorized by subsection (a), WRECO shall convey or cause to be conveyed

to the United States, by warranty deed acceptable to the Secretary, a 0.39 acre parcel of real property located adjacent to Fort Lewis, Washington, together with other consideration acceptable to the Secretary. The total consideration conveyed to the United States shall not be less than the fair market value of the land conveyed under subsection (a).

(c) DETERMINATION OF FAIR MARKET VALUE.—The determinations of the Secretary regarding the fair market values of the parcels of real property and improvements to be conveyed pursuant to subsections (a) and (b) shall be final.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the parcels of real property to be conveyed pursuant to subsections (a) and (b) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by WRECO.

(e) EFFECT ON EXISTING REVERSIONARY INTEREST.—The Secretary may enter into an agreement with the appropriate officials of Pierce County, Washington, under which—

(1) the existing reversionary interest of Pierce County in the lands to be conveyed by the United States under subsection (a) is extinguished; and

(2) the conveyance to the United States under subsection (b) is made subject to a similar reversionary interest in favor of Pierce County in the lands conveyed under such subsection.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2856. LAND EXCHANGE, ARMY RESERVE CENTER, GAINESVILLE, GEORGIA.

(a) LAND EXCHANGE AUTHORIZED.—The Secretary of the Army may convey to the City of Gainesville, Georgia (in this section referred to as the “City”), all right, title, and interest of the United States in and to a parcel of real property, together with any improvements thereon, consisting of approximately 4.2 acres and located on Shallowford Road in Gainesville, Georgia, the site of the Army Reserve Center, Gainesville, Georgia.

(b) CONSIDERATION.—As consideration for the conveyance authorized by subsection (a), the City shall—

(1) convey to the United States all right, title, and interest in and to a parcel of real property consisting of approximately 8 acres located in the Atlas Industrial Park, Gainesville, Georgia, that is acceptable to the Secretary;

(2) design and construct on such real property suitable facilities (as determined by the Secretary) for training activities of the Army Reserve to replace facilities conveyed under subsection (a);

(3) carry out, at cost to the City, any environmental assessments and any other studies, analyses, and assessments that may be required under Federal law in connection with the land conveyances under subsection (a) and paragraph (1) and the construction under paragraph (2);

(4) pay the Secretary the amount (as determined by the Secretary) equal to the cost of relocating Army Reserve units from the real property to be conveyed under subsection (a) to the replacement facilities to be constructed under paragraph (2); and

(5) if the fair market value of the real property conveyed by the Secretary under subsection (a) exceeds the fair market value of the consideration provided by the City under paragraphs (1) through (4), pay the United States the amount equal to the amount of such excess.

(c) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the

fair market value of the real property to be conveyed under subsection (a) and of the consideration to be furnished by the City under subsection (b). Such determination shall be final.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the parcels of real property to be conveyed under subsections (a) and (b) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances authorized by this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2857. LAND CONVEYANCE, HOLSTON ARMY AMMUNITION PLANT, MOUNT CARMEL, TENNESSEE.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without reimbursement, to the City of Mount Carmel, Tennessee (in this section referred to as the “City”), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 6.5 acres located at Holston Army Ammunition Plant, Tennessee. The property is located adjacent to the Mount Carmel Cemetery and is intended for expansion of the cemetery.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2858. LAND CONVEYANCE, INDIANA ARMY AMMUNITION PLANT, CHARLESTOWN, INDIANA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the State of Indiana (in this section referred to as the “State”), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, that consists of approximately 1125 acres at the inactivated Indiana Army Ammunition Plant in Charlestown, Indiana, and is the subject of a 25-year lease between the Secretary and the State.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the State use the conveyed property for recreational purposes.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the State.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2859. LAND CONVEYANCE, FORT ORD, CALIFORNIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the City of Seaside, California (in this section referred to as the “City”), all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon) consisting of approximately 477 acres located in Monterey County, California, and comprising a portion of the former Fort Ord Military Complex. The real property to be conveyed to the City includes

the two Fort Ord Golf Courses, Black Horse and Bayonet, and a portion of the Hayes Housing Facilities.

(b) CONSIDERATION.—As consideration for the conveyance of the real property and improvements under subsection (a), the City shall pay to the United States an amount equal to the fair market value of the property to be conveyed, as determined by the Secretary.

(c) USE AND DEPOSIT OF PROCEEDS.—(1) From the funds paid by the City under subsection (b), the Secretary shall deposit in the Morale, Welfare, and Recreation Fund Account of the Department of the Army such amounts as may be necessary to cover morale, welfare, and recreation activities at Army installations in the general vicinity of Fort Ord during fiscal years 1996 through 2000. The amount deposited by the Secretary into the Account shall not exceed the fair market value, as established under subsection (b), of the two Fort Ord Golf Courses conveyed under subsection (a). The Secretary shall notify Congress of the amount to be deposited not later than 90 days after the date of the conveyance.

(2) The Secretary shall deposit the balance of any funds paid by the City under subsection (b), after deducting the amount deposited under paragraph (1), in the Department of Defense Base Closure Account 1990.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey mutually satisfactory to the Secretary and the City. The cost of the survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2860. LAND CONVEYANCE, PARKS RESERVE FORCES TRAINING AREA, DUBLIN, CALIFORNIA.

(a) CONVEYANCE AUTHORIZED.—(1) Except as provided in paragraph (2), the Secretary of the Army may convey to the County of Alameda, California (in this section referred to as the "County"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 42 acres located at Parks Reserve Forces Training Area, Dublin, California.

(2) The conveyance authorized by this section shall not include any oil, gas, or mineral interest of the United States in the real property to be conveyed.

(b) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a)(1), the County shall provide the Army with the following services at the portion of Parks Reserve Forces Training Area retained by the Army:

(A) Relocation of the main gate of the retained Training Area from Dougherty Road to Dublin Boulevard across from the Bay Area Rapid Transit District East Dublin station, including the closure of the existing main gate on Dougherty Road, construction of a security facility, and construction of a roadway from the new entrance to Fifth Street.

(B) Enclosing and landscaping of the southern boundary of the retained Training Area installation located northerly of Dublin Boulevard.

(C) Enclosing and landscaping of the eastern boundary of the retained Training Area from Dublin Boulevard to Gleason Drive.

(D) Resurfacing of roadways within the retained Training Area.

(E) Provision of such other services in connection with the retained Training Area, including relocation or reconstruction of water

lines, relocation or reconstruction of sewer lines, construction of drainage improvements, and construction of buildings, as the Secretary and the County may determine to be appropriate.

(F) Provision for and funding of any environmental mitigation that is necessary as a result of a change in use of the conveyed property by the County.

(2) The detailed specifications for the services to be provided under paragraph (1) may be determined and approved on behalf of the Secretary by the Commander of Parks Reserve Forces Training Area. The preparation costs of such specifications shall be borne by the County.

(3) The fair market value of improvements and services received by the United States from the County under paragraph (1) must be equal to or exceed the appraised fair market value of the real property to be conveyed under subsection (a)(1). The appraisal of the fair market value of the property shall be subject to the Secretary's review and approval.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a)(1) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the County.

(d) TIME FOR TRANSFER OF TITLE.—The transfer of title to the County under subsection (a)(1) may be executed by the Secretary only upon the satisfactory guarantee by the County of completion of the services to be provided under subsection (b).

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a)(1) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2861. LAND CONVEYANCE, ARMY RESERVE CENTER, YOUNGSTOWN, OHIO.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the City of Youngstown, Ohio (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of excess real property, including improvements thereon, that is located at 399 Miller Street in Youngstown, Ohio, and contains the Kefurt Army Reserve Center.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the City retain the conveyed property for the use and benefit of the Youngstown Fire Department.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2862. LAND CONVEYANCE, ARMY RESERVE PROPERTY, FORT SHERIDAN, ILLINOIS.

(a) CONVEYANCE AUTHORIZED.—Subject to subsection (b), the Secretary of the Army may convey to any transferee selected under subsection (g) all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon) at Fort Sheridan, Illinois, consisting of approximately 114 acres and comprising an Army Reserve area.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized

by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the transferee selected under subsection (g) shall—

(A) convey to the United States a parcel of real property that meets the requirements of subsection (d);

(B) design for and construct on the property conveyed under subparagraph (A) such facilities (including support facilities and infrastructure) to replace the facilities conveyed pursuant to the authority in subsection (a) as the Secretary considers appropriate; and

(C) pay the cost of relocating Army personnel in the facilities located on the real property conveyed pursuant to the authority in subsection (a) to the facilities constructed under subparagraph (B).

(2) The Secretary shall ensure that the fair market value of the consideration provided by the transferee under paragraph (1) is not less than the fair market value of the real property conveyed by the Secretary under subsection (a).

(d) REQUIREMENTS RELATING TO PROPERTY TO BE CONVEYED TO UNITED STATES.—The real property conveyed to the United States under subsection (c)(1)(A) by the transferee selected under subsection (g) shall—

(1) be located not more than 25 miles from Fort Sheridan;

(2) be located in a neighborhood or area having social and economic conditions similar to the social and economic conditions of the area in which Fort Sheridan is located; and

(3) be acceptable to the Secretary.

(e) INTERIM RELOCATION OF ARMY PERSONNEL.—Pending completion of the construction of all the facilities proposed to be constructed under subsection (c)(1)(B) by the transferee selected under subsection (g), the Secretary may relocate Army personnel in the facilities located on the property to be conveyed pursuant to the authority in subsection (a) to the facilities that have been constructed by the transferee under such subsection (c)(1)(B).

(f) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the real property to be conveyed under subsection (a) and of the consideration to be provided under subsection (c)(1). Such determination shall be final.

(g) SELECTION OF TRANSFEREE.—(1) The Secretary shall use competitive procedures for the selection of a transferee under subsection (a).

(2) In evaluating the offers of prospective transferees, the Secretary shall—

(A) consider such criteria as the Secretary considers to be appropriate to determine whether prospective transferees will be able to satisfy the consideration requirements specified in subsection (c)(1); and

(B) consult with the communities and jurisdictions in the vicinity of Fort Sheridan (including the City of Lake Forest, the City of Highwood, and the City of Highland Park and the County of Lake, Illinois) in order to determine the most appropriate use of the property to be conveyed.

(h) DESCRIPTIONS OF PROPERTY.—The exact acreage and legal descriptions of the real property to be conveyed by the Secretary under subsection (a) and the real property to be conveyed under subsection (c)(1)(A) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the transferee selected under subsection (g).

(i) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional

terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2863. LAND CONVEYANCE, PROPERTY UNDERLYING CUMMINS APARTMENT COMPLEX, FORT HOLABIRD, MARYLAND.

(a) CONVEYANCE AUTHORIZED.—Notwithstanding any other provision of law, the Secretary of the Army may convey to the existing owner of the improvements thereon all right, title, and interest of the United States in and to a parcel of real property underlying the Cummins Apartment Complex at Fort Holabird, Maryland, that consists of approximately 6 acres, and any interest the United States may have in the improvements thereon.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the owner of the improvements referred to in that subsection shall provide compensation to the United States in an amount equal to the fair market value (as determined by the Secretary) of the property interest to be conveyed.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey that is satisfactory to the Secretary.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2864. MODIFICATION OF EXISTING LAND CONVEYANCE, ARMY PROPERTY, HAMILTON AIR FORCE BASE, CALIFORNIA.

(a) APPLICATION OF SECTION.—The authority provided in subsection (b) shall apply only in the event that the purchaser purchases only a portion of the Sale Parcel referred to in section 9099 of the Department of Defense Appropriations Act, 1993 (Public Law 102-396; 106 Stat. 1924) and exercises the purchaser's option to withdraw from the sale as to the rest of the Sale Parcel.

(b) CONVEYANCE AUTHORITY IN EVENT OF PARTIAL SALE.—The Secretary of the Army may convey to the City of Novato, California (in this section referred to as the "City")—

(1) that portion of the Sale Parcel (other than Landfill 26 and an appropriate buffer area around it and the groundwater treatment facility site) that is not purchased as provided in subsection (a); and

(2) any of the land referred to in subsection (e) of such section 9099 that is not purchased by the purchaser.

(c) CONSIDERATION AND CONDITIONS ON CONVEYANCE.—The conveyance under subsection (b) shall be made as a public benefit transfer to the City for the sum of One Dollar, subject to the condition that the conveyed property be used for school, classroom, or other educational purposes or as a public park or recreation area.

(d) SUBSEQUENT CONVEYANCE BY THE CITY.—(1) If, within 10 years after the conveyance under subsection (b), the City conveys all or any part of the conveyed property to a third party without the use restrictions specified in subsection (c), the City shall pay to the Secretary of the Army an amount equal to the proceeds received by the City from the conveyance, minus the demonstrated reasonable costs of making the conveyance and of any improvements made by the City to the property following its acquisition of the land (but only to the extent such improvements increase the value of the property conveyed). The Secretary of the Army shall deliver into the applicable closing escrow an acknowledgment of receipt of the proceeds and a release of the reverter right under subsection

(e) as to the affected land, effective upon such receipt.

(2) Until one year after the completion of the cleanup of contaminated soil in the Landfill located on the Sale Parcel and completion of the groundwater treatment facilities, any conveyance by the City must be at a per-acre price for the portion sold that is at least equal to the per-acre contract price paid by the purchaser for the portion of the Sale Parcel purchased under the Agreement and Modification for the purchase of the Sale Parcel by the purchaser. Thereafter, any conveyance by the City must be at a price at least equal to the fair market value of the portion sold.

(3) This subsection shall not apply to a conveyance by the City to another public or quasi-public agency for public uses of the kind described in subsection (c).

(e) REVERSION.—If the Secretary of the Army determines that the City has failed to make a payment as required by subsection (d)(1) or that any portion of the conveyed property retained by the City or conveyed under subsection (d)(3) is not being utilized in accordance with subsection (c), title to the applicable portion of such property shall revert to the United States at the election of the Administrator of the General Services Administration.

(f) SPECIAL CONVEYANCE REGARDING BUILDING 138 PARCEL.—The Secretary of the Army may convey to the purchaser of the Sale Parcel the Building 138 parcel, which has been designated by the parties as Parcel A4. The per-acre price for the portion conveyed under this subsection shall be at least equal to the per-acre contract price paid by the purchaser for the portion of the Sale Parcel purchased under the Agreement and Modification, dated September 25, 1990, as amended.

PART II—NAVY CONVEYANCES

SEC. 2865. TRANSFER OF JURISDICTION, NAVAL WEAPONS INDUSTRIAL RESERVE PLANT, CALVERTON, NEW YORK.

(a) TRANSFER AUTHORIZED.—Notwithstanding section 2854 of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102-484; 106 Stat. 2626), as amended by section 2823 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103-337; 108 Stat. 3058), the Secretary of the Navy may transfer, without reimbursement, to the administrative jurisdiction of the Secretary of Veterans Affairs a parcel of real property consisting of approximately 150 acres located adjacent to the Calverton National Cemetery, Calverton, New York, and comprising a portion of the buffer zone of the Naval Weapons Industrial Reserve Plant, Calverton, New York.

(b) USE OF PROPERTY.—The Secretary of Veterans Affairs shall use the real property transferred under subsection (a) as an addition to the Calverton National Cemetery and administer such real property pursuant to chapter 24 of title 38, United States Code.

(c) SURVEY.—The cost of any survey necessary for the transfer of jurisdiction of the real property described in subsection (a) from the Secretary of the Navy to the Secretary of Veterans Affairs shall be borne by the Secretary of Veterans Affairs.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Navy may require such additional terms and conditions in connection with the transfer under this section as the Secretary of the Navy considers appropriate to protect the interests of the United States.

SEC. 2866. MODIFICATION OF LAND CONVEYANCE, NAVAL WEAPONS INDUSTRIAL RESERVE PLANT, CALVERTON, NEW YORK.

(a) REMOVAL OF REVERSIONARY INTEREST; ADDITION OF LEASE AUTHORITY.—Subsection

(c) of section 2833 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103-337; 108 Stat. 3061) is amended to read as follows:

“(c) LEASE AUTHORITY.—Until such time as the real property described in subsection (a) is conveyed by deed, the Secretary may lease the property, along with improvements thereon, to the Community Development Agency in exchange for security services, fire protection services, and maintenance services provided by the Community Development Agency for the property.”

(b) CONFORMING AMENDMENT.—Subsection (e) of such section is amended by striking out “subsection (a)” and inserting in lieu thereof “subsection (a) or a lease under subsection (c)”.

SEC. 2867. LAND CONVEYANCE ALTERNATIVE TO EXISTING LEASE AUTHORITY, NAVAL SUPPLY CENTER, OAKLAND, CALIFORNIA.

Section 2834(b) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102-484; 106 Stat. 2614), as amended by section 2833 of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103-160; 107 Stat. 1896) and section 2821 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103-337; 108 Stat. 3057), is further amended by adding at the end the following new paragraphs:

“(4) In lieu of entering into a lease under paragraph (1), or in place of an existing lease under that paragraph, the Secretary may convey, without consideration, the property described in that paragraph to the City of Oakland, California, the Port of Oakland, California, the City of Alameda, California, or the City of Richmond, California, under such terms and conditions as the Secretary considers appropriate.

“(5) The exact acreage and legal description of any property conveyed under paragraph (4) shall be determined by a survey satisfactory to the Secretary. The cost of each survey shall be borne by the recipient of the property.”

SEC. 2868. LAND CONVEYANCE, NAVAL WEAPONS INDUSTRIAL RESERVE PLANT, MCGREGOR, TEXAS.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Navy may convey, without consideration, to the City of McGregor, Texas (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, containing the Naval Weapons Industrial Reserve Plant, McGregor, Texas.

(2) After screening the facilities, equipment, and fixtures (including special tooling and special test equipment) located on the parcel for other uses by the Department of the Navy, the Secretary may include in the conveyance under paragraph (1) any facilities, equipment, and fixtures on the parcel not to be so used if the Secretary determines that manufacturing activities requiring the use of such facilities, equipment, and fixtures are likely to continue or be reinstated on the parcel after conveyance under paragraph (1).

(b) LEASE AUTHORITY.—Until such time as the real property described in subsection (a)(1) is conveyed by deed, the Secretary may lease the property, along with improvements thereon, to the City in exchange for security services, fire protection services, and maintenance services provided by the City for the property.

(c) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the City, directly or through an agreement with a public or private entity, use the conveyed property (or offer the conveyed property for

use) for economic redevelopment to replace all or a part of the economic activity being lost at the parcel.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a)(1) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) or a lease under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2869. LAND CONVEYANCE, NAVAL SURFACE WARFARE CENTER, MEMPHIS, TENNESSEE.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to the Memphis and Shelby County Port Commission, Memphis, Tennessee (in this section referred to as the "Port"), all right, title, and interest of the United States in and to a parcel of real property (including any improvements thereon) consisting of approximately 26 acres that is located at the Carderock Division, Naval Surface Warfare Center, Memphis Detachment, Presidents Island, Memphis, Tennessee.

(b) CONSIDERATION.—As consideration for the conveyance of real property under subsection (a), the Port shall—

(1) grant to the United States a restrictive easement in and to a parcel of real property consisting of approximately 100 acres that is adjacent to the Memphis Detachment, Presidents Island, Memphis, Tennessee; and

(2) if the fair market value of the easement granted under paragraph (1) is less than the fair market value of the real property conveyed under subsection (a), provide the United States such additional consideration as the Secretary and the Port jointly determine appropriate so that the value of the consideration received by the United States under this subsection is equal to or greater than the fair market value of the real property conveyed under subsection (a).

(c) CONDITION OF CONVEYANCE.—The conveyance authorized by subsection (a) shall be carried out in accordance with the provisions of the Land Exchange Agreement between the United States and the Memphis and Shelby County Port Commission, Memphis, Tennessee.

(d) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the real property to be conveyed under subsection (a) and of the easement to be granted under subsection (b)(1). Such determinations shall be final.

(e) USE OF PROCEEDS.—The Secretary shall deposit any proceeds received under subsection (b)(2) as consideration for the conveyance of real property authorized under subsection (a) in the special account established pursuant to section 204(h)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(2)).

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) and the easement to be granted under subsection (b)(1) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Port.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance authorized by subsection (a) and the easement granted under subsection (b)(1) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2870. LAND CONVEYANCE, NAVY PROPERTY, FORT SHERIDAN, ILLINOIS.

(a) CONVEYANCE AUTHORIZED.—Subject to subsection (b), the Secretary of the Navy

may convey to any transferee selected under subsection (i) all right, title, and interest of the United States in and to a parcel of real property (including any improvements thereon) at Fort Sheridan, Illinois, consisting of approximately 182 acres and comprising the Navy housing areas at Fort Sheridan.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the transferee selected under subsection (i) shall—

(A) convey to the United States a parcel of real property that meets the requirements of subsection (d);

(B) design for and construct on the property conveyed under subparagraph (A) such housing facilities (including support facilities and infrastructure) to replace the housing facilities conveyed pursuant to the authority in subsection (a) as the Secretary considers appropriate;

(C) pay the cost of relocating members of the Armed Forces residing in the housing facilities located on the real property conveyed pursuant to the authority in subsection (a) to the housing facilities constructed under subparagraph (B);

(D) provide for the education of dependents of such members under subsection (e); and

(E) carry out such activities for the operation, maintenance, and improvement of the facilities constructed under subparagraph (B) as the Secretary and the transferee jointly determine appropriate.

(2) The Secretary shall ensure that the fair market value of the consideration provided by the transferee under paragraph (1) is not less than the fair market value of the property interest conveyed by the Secretary under subsection (a).

(d) REQUIREMENTS RELATING TO PROPERTY TO BE CONVEYED TO UNITED STATES.—The property interest conveyed to the United States under subsection (c)(1)(A) by the transferee selected under subsection (i) shall—

(1) be located not more than 25 miles from the Great Lakes Naval Training Center, Illinois;

(2) be located in a neighborhood or area having social and economic conditions similar to the social and economic conditions of the area in which Fort Sheridan is located; and

(3) be acceptable to the Secretary.

(e) EDUCATION OF DEPENDENTS OF MEMBERS OF THE ARMED FORCES.—In providing for the education of dependents of members of the Armed Forces under subsection (c)(1)(D), the transferee selected under subsection (i) shall ensure that such dependents may enroll at the schools of one or more school districts in the vicinity of the real property conveyed to the United States under subsection (c)(1)(A) which schools and districts—

(1) meet such standards for schools and schools districts as the Secretary shall establish; and

(2) will continue to meet such standards after the enrollment of such dependents regardless of the receipt by such school districts of Federal impact aid.

(f) INTERIM RELOCATION OF MEMBERS OF THE ARMED FORCES.—Pending completion of the construction of all the housing facilities proposed to be constructed under subsection (c)(1)(B) by the transferee selected under subsection (i), the Secretary may relocate—

(1) members of the Armed Forces residing in housing facilities located on the property to be conveyed pursuant to the authority in subsection (a) to the housing facilities that

have been constructed by the transferee under such subsection (c)(1)(B); and

(2) other Government tenants located on such property to other facilities.

(g) APPLICABILITY OF CERTAIN AGREEMENTS.—The property conveyed by the Secretary pursuant to the authority in subsection (a) shall be subject to the Memorandum of Understanding concerning the Transfer of Certain Properties at Fort Sheridan, Illinois, dated August 8, 1991, between the Department of the Army and the Department of the Navy.

(h) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the real property interest to be conveyed under subsection (a) and of the consideration to be provided under subsection (c)(1). Such determination shall be final.

(i) SELECTION OF TRANSFEREE.—(1) The Secretary shall use competitive procedures for the selection of a transferee under subsection (a).

(2) In evaluating the offers of prospective transferees, the Secretary shall—

(A) consider such criteria as the Secretary considers to be appropriate to determine whether prospective transferees will be able to satisfy the consideration requirements specified in subsection (c)(1); and

(B) consult with the communities and jurisdictions in the vicinity of Fort Sheridan (including the City of Lake Forest, the City of Highwood, and the City of Highland Park and the County of Lake, Illinois) in order to determine the most appropriate use of the property to be conveyed.

(j) DESCRIPTIONS OF PROPERTY.—The exact acreage and legal descriptions of the real property to be conveyed by the Secretary under subsection (a) and the real property to be conveyed under subsection (c)(1)(A) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the transferee selected under subsection (i).

(k) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2871. LAND CONVEYANCE, NAVAL COMMUNICATIONS STATION, STOCKTON, CALIFORNIA.

(a) CONVEYANCE AUTHORIZED.—Subject to subsection (b), the Secretary of the Navy may convey to the Port of Stockton, California (in this section referred to as the "Port"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 1,450 acres at the Naval Communication Station, Stockton, California.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) INTERIM LEASE.—Until such time as the real property described in subsection (a) is conveyed by deed, the Secretary may lease the property, along with improvements thereon, to the Port under terms and conditions satisfactory to the Secretary.

(d) CONSIDERATION.—The conveyance may be made as a public benefit conveyance for port development as defined in section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484) if the Port satisfies the criteria in such section and the regulations prescribed to implement such section. If the Port fails to qualify for a public benefit conveyance and still desires to acquire the property, the Port shall pay to the

United States an amount equal to the fair market value of the property to be conveyed, as determined by the Secretary.

(e) **FEDERAL LEASE OF CONVEYED PROPERTY.**—As a condition for transfer of this property under subparagraph (a), the Secretary may require that the Port lease to the Department of Defense or any other Federal agency all or any part of the property being used by the Federal Government at the time of conveyance. Any such lease shall be made under the same terms and conditions as in force at the time of the conveyance. Such terms and conditions will continue to include payment to the Port for maintenance of facilities leased to the Federal Government. Such maintenance of the Federal premises shall be to the reasonable satisfaction of the United States, or as required by all applicable Federal, State, and local laws and ordinances.

(f) **DESCRIPTION OF PROPERTY.**—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Port.

(g) **ADDITIONAL TERMS.**—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) or the lease under subsection (c) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2872. LEASE OF PROPERTY, NAVAL AIR STATION AND MARINE CORPS AIR STATION, MIRAMAR, CALIFORNIA.

(a) **LEASE AUTHORIZED.**—Notwithstanding section 2692(a)(1) of title 10, United States Code, the Secretary of the Navy may lease to the City of San Diego, California (in this subsection referred to as the "City"), the parcel of real property, including improvements thereon, described in subsection (b) in order to permit the City to carry out activities on the parcel relating to solid waste management, including the operation and maintenance of one or more solid waste landfills. Pursuant to the lease, the Secretary may authorize the City to construct and operate on the parcel facilities related to solid waste management, including a sludge processing facility.

(b) **COVERED PROPERTY.**—The parcel of property to be leased under subsection (a) is a parcel of real property consisting of approximately 1,400 acres that is located at Naval Air Station, Miramar, California, or Marine Corps Air Station, Miramar, California.

(c) **LEASE TERM.**—The lease authorized under subsection (a) shall be for an initial term of not more than 50 years. Under the lease, the Secretary may provide the City with an option to extend the lease for such number of additional periods of such length as the Secretary considers appropriate.

(d) **FORM OF CONSIDERATION.**—The Secretary may provide in the lease under subsection (a) for the provision by the City of in-kind consideration under the lease.

(e) **USE OF MONEY RENTALS.**—In such amounts as are provided in advance in appropriation Acts, the Secretary may use money rentals received by the Secretary under the lease authorized under subsection (a) to carry out the following programs at Department of the Navy installations that utilize the solid waste landfill or landfills located on the leased property:

(1) Environmental programs, including natural resource management programs, recycling programs, and pollution prevention programs.

(2) Programs to improve the quality of military life, including programs to improve military unaccompanied housing and military family housing.

(f) **ADDITIONAL TERMS AND CONDITIONS.**—The Secretary may require such additional

terms and conditions in connection with the lease under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

(g) **DEFINITIONS.**—In this section, the terms "sludge", "solid waste", and "solid waste management" have the meanings given such terms in paragraphs (26A), (27), and (28), respectively, of section 1004 of the Solid Waste Disposal Act (42 U.S.C. 6903).

PART III—AIR FORCE CONVEYANCES

SEC. 2874. LAND ACQUISITION OR EXCHANGE, SHAW AIR FORCE BASE, SOUTH CAROLINA.

(a) **LAND ACQUISITION.**—By means of an exchange of property, acceptance as a gift, or other means that do not require the use of appropriated funds, the Secretary of the Air Force may acquire all right, title, and interest in and to a parcel of real property (together with any improvements thereon) consisting of approximately 1,100 acres and located adjacent to the eastern end of Shaw Air Force Base, South Carolina, and extending to Stamey Livestock Road in Sumter County, South Carolina.

(b) **LAND EXCHANGE AUTHORIZED.**—For purposes of acquiring the real property described in subsection (a), the Secretary may participate in a land exchange and convey all right, title, and interest of the United States in and to a parcel of real property in the possession of the Air Force if—

(1) the Secretary determines that the land exchange is in the best interests of the Air Force; and

(2) the fair market value of the parcel to be conveyed by the Secretary does not exceed the fair market value of the parcel to be acquired by the Secretary.

(c) **DETERMINATIONS OF FAIR MARKET VALUE.**—The Secretary shall determine the fair market value of the parcels of real property to be exchanged, accepted, or otherwise acquired pursuant to subsection (a) and exchanged pursuant to subsection (b). Such determinations shall be final.

(d) **REVERSION OF GIFT CONVEYANCE.**—If the Secretary acquires the real property described in subsection (a) by way of gift, the Secretary may accept in the deed of conveyance terms or conditions that require that the land be reconveyed to the donor, or the heirs of the donor, if Shaw Air Force Base ceases operations and is closed.

(e) **DESCRIPTIONS OF PROPERTY.**—The exact acreage and legal descriptions of the parcels of real property to be to be exchanged, accepted, or otherwise acquired pursuant to subsection (a) and exchanged pursuant to subsection (b) shall be determined by a survey satisfactory to the Secretary.

(f) **ADDITIONAL TERMS AND CONDITIONS.**—The Secretary may require such additional terms and conditions in connection with the acquisition under subsection (a) or conveyance under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2875. LAND CONVEYANCE, ELMENDORF AIR FORCE BASE, ALASKA.

(a) **CONVEYANCE TO PRIVATE PERSON AUTHORIZED.**—The Secretary of the Air Force may convey to such private person as the Secretary considers appropriate, all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 31.69 acres that is located at Elmendorf Air Force Base, Alaska, and identified in land lease W-95-507-ENG-58.

(b) **CONSIDERATION.**—As consideration for the conveyance under subsection (a), the purchaser shall pay to the United States an amount equal to the fair market value of the real property to be conveyed, as determined by the Secretary. In determining the fair market value of the real property, the Secretary shall consider the property as encum-

bered by land lease W-95-507-ENG-58, with an expiration date of June 13, 2024.

(c) **CONDITION OF CONVEYANCE.**—The conveyance authorized by subsection (a) shall be subject to the condition that the purchaser of the property—

(1) permit the lease of the apartment complex located on the property by members of the Armed Forces stationed at Elmendorf Air Force Base and their dependents; and

(2) maintain the apartment complex in a condition suitable for such leases.

(d) **DEPOSIT OF PROCEEDS.**—The Secretary shall deposit the amount received from the purchaser under subsection (b) in the special account established under section 204(h)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(2)).

(e) **DESCRIPTION OF PROPERTY.**—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the purchaser of the real property.

(f) **ADDITIONAL TERMS AND CONDITIONS.**—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2876. LAND CONVEYANCE, RADAR BOMB SCORING SITE, FORSYTH, MONTANA.

(a) **CONVEYANCE AUTHORIZED.**—The Secretary of the Air Force may convey, without consideration, to the City of Forsyth, Montana (in this section referred to as the "City"), all right, title, and interest of the United States in and to the parcel of property (including any improvements thereon) consisting of approximately 58 acres located in Forsyth, Montana, which has served as a support complex and recreational facilities for the Radar Bomb Scoring Site, Forsyth, Montana.

(b) **CONDITION OF CONVEYANCE.**—The conveyance under subsection (a) shall be subject to the condition that the City—

(1) utilize the property and recreational facilities conveyed under that subsection for housing and recreation purposes; or

(2) enter into an agreement with an appropriate public or private entity to lease such property and facilities to that entity for such purposes.

(c) **REVERSION.**—If the Secretary determines at any time that the property conveyed under subsection (a) is not being utilized in accordance with paragraph (1) or paragraph (2) of subsection (b), all right, title, and interest in and to the conveyed property, including any improvements thereon, shall revert to the United States and the United States shall have the right of immediate entry onto the property.

(d) **DESCRIPTION OF PROPERTY.**—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(e) **ADDITIONAL TERMS AND CONDITIONS.**—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary determines appropriate to protect the interests of the United States.

SEC. 2877. LAND CONVEYANCE, RADAR BOMB SCORING SITE, POWELL, WYOMING.

(a) **CONVEYANCE AUTHORIZED.**—The Secretary of the Air Force may convey, without consideration, to the Northwest College Board of Trustees (in this section referred to as the "Board"), all right, title, and interest of the United States in and to a parcel of real property (including any improvements thereon) consisting of approximately 24 acres located in Powell, Wyoming, which has

served as the location of a support complex, recreational facilities, and housing facilities for the Radar Bomb Scoring Site, Powell, Wyoming.

(b) **CONDITION OF CONVEYANCE.**—The conveyance authorized under subsection (a) shall be subject to the condition that the Board use the property conveyed under that subsection for housing and recreation purposes and for such other purposes as the Secretary and the Board jointly determine appropriate.

(c) **REVERSIONARY INTEREST.**—During the five-year period beginning on the date that the Secretary makes the conveyance authorized under subsection (a), if the Secretary determines that the conveyed property is not being used in accordance with subsection (b), all right, title, and interest in and to the conveyed property, including any improvements thereon, shall revert to the United States and the United States shall have the right of immediate entry onto the property.

(d) **DESCRIPTION OF PROPERTY.**—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Board.

(e) **ADDITIONAL TERMS AND CONDITIONS.**—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2878. LAND CONVEYANCE, AVON PARK AIR FORCE RANGE, FLORIDA.

(a) **CONVEYANCE AUTHORIZED.**—The Secretary of the Air Force may convey, without consideration, to Highlands County, Florida (in this section referred to as the "County"), all right, title, and interest of the United States in and to a parcel of real property, together with any improvements thereon, located within the boundaries of the Avon Park Air Force Range near Sebring, Florida, which has previously served as the location of a support complex and recreational facilities for the Avon Park Air Force Range.

(b) **CONDITION OF CONVEYANCE.**—The conveyance authorized under subsection (a) shall be subject to the condition that the County, directly or through an agreement with an appropriate public or private entity, use the conveyed property, including the support complex and recreational facilities, for operation of a juvenile or other correctional facility.

(c) **REVERSIONARY INTEREST.**—If the Secretary determines at any time that the property conveyed under subsection (a) is not being used in accordance with subsection (b), all right, title, and interest in the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property.

(d) **DESCRIPTION OF PROPERTY.**—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the County.

(e) **ADDITIONAL TERMS AND CONDITIONS.**—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

Subtitle E—Land Conveyances Involving Utilities

SEC. 2881. CONVEYANCE OF RESOURCE RECOVERY FACILITY, FORT DIX, NEW JERSEY.

(a) **CONVEYANCE AUTHORIZED.**—The Secretary of the Army may convey to Burlington County, New Jersey (in this section referred to as the "County"), all right, title,

and interest of the United States in and to a parcel of real property at Fort Dix, New Jersey, consisting of approximately six acres and containing a resource recovery facility, known as the Fort Dix resource recovery facility.

(b) **RELATED EASEMENTS.**—The Secretary may grant to the County any easement that is necessary for access to and operation of the resource recovery facility conveyed under subsection (a).

(c) **REQUIREMENT RELATING TO CONVEYANCE.**—The Secretary may not carry out the conveyance of the resource recovery facility authorized by subsection (a) unless the County agrees to accept the facility in its existing condition at the time of the conveyance.

(d) **CONDITIONS ON CONVEYANCE.**—The conveyance of the resource recovery facility authorized by subsection (a) is subject to the following conditions:

(1) That the County provide refuse and steam service to Fort Dix, New Jersey, at the rate established by the appropriate Federal or State regulatory authority.

(2) That the County comply with all applicable environmental laws and regulations (including any permit or license requirements) relating to the resource recovery facility.

(3) That the County assume full responsibility for ownership, operation, maintenance, repair, and all regulatory compliance requirements for the resource recovery facility.

(4) That the County not commence any expansion of the resource recovery facility without approval of such expansion by the Secretary.

(e) **DESCRIPTION OF THE PROPERTY.**—The exact acreage and legal description of the real property to be conveyed under subsection (a), and of any easements to be granted under subsection (b), shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the County.

(f) **ADDITIONAL TERMS AND CONDITIONS.**—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) and the grant of any easement under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2882. CONVEYANCE OF WATER AND WASTEWATER TREATMENT PLANTS, FORT GORDON, GEORGIA.

(a) **CONVEYANCE AUTHORIZED.**—The Secretary of the Army may convey to the city of Augusta, Georgia (in this section referred to as the "City"), all right, title, and interest of the United States to several parcels of real property located at Fort Gordon, Georgia, and consisting of approximately seven acres each. The parcels are improved with a water filtration plant, water distribution system with storage tanks, sewage treatment plant, and sewage collection system.

(b) **RELATED EASEMENTS.**—The Secretary may grant to the City any easement that is necessary for access to the real property conveyed under subsection (a) and operation of the water and wastewater treatment plants and distribution and collection systems conveyed under subsection (a).

(c) **REQUIREMENT RELATING TO CONVEYANCE.**—The Secretary may not carry out the conveyance of the water and wastewater treatment plants and distribution and collection systems authorized by subsection (a) unless the City agrees to accept the water and wastewater treatment plants and distribution and collection systems in their existing condition at the time of the conveyance.

(d) **CONDITIONS ON CONVEYANCE.**—The conveyance authorized by subsection (a) is subject to the following conditions:

(1) That the City provide water and sewer service to Fort Gordon, Georgia, at a rate es-

tablished by the appropriate Federal or State regulatory authority.

(2) That the City comply with all applicable environmental laws and regulations (including any permit or license requirements) regarding the real property conveyed under subsection (a).

(3) That the City assume full responsibility for ownership, operation, maintenance, repair, and all regulatory compliance requirements for the water and wastewater treatment plants and distribution and collection systems.

(4) That the City not commence any expansion of the water and wastewater treatment plants and distribution and collection systems without approval of such expansion by the Secretary.

(e) **DESCRIPTION OF PROPERTY.**—The exact acreage and legal description of the real property to be conveyed under subsection (a), and of any easements granted under subsection (b), shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the City.

(f) **ADDITIONAL TERMS AND CONDITIONS.**—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) and the grant of any easement under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2883. CONVEYANCE OF ELECTRICITY DISTRIBUTION SYSTEM, FORT IRWIN, CALIFORNIA.

(a) **CONVEYANCE AUTHORIZED.**—The Secretary of the Army may convey to the Southern California Edison Company, California (in this section referred to as the "Company"), all right, title, and interest of the United States in and to the electricity distribution system located at Fort Irwin, California.

(b) **DESCRIPTION OF SYSTEM AND CONVEYANCE.**—The electricity distribution system authorized to be conveyed under subsection (a) consists of approximately 115 miles of electricity distribution lines (including poles, switches, reclosers, transformers, regulators, switchgears, and service lines) and includes the equipment, fixtures, structures, and other improvements the Federal Government utilizes to provide electricity services at Fort Irwin. The system does not include any real property.

(c) **RELATED EASEMENTS.**—The Secretary may grant to the Company any easement that is necessary for access to and operation of the electricity distribution system conveyed under subsection (a).

(d) **REQUIREMENT RELATING TO CONVEYANCE.**—The Secretary may not carry out the electricity distribution system authorized by subsection (a) unless the Company agrees to accept the electricity distribution system in its existing condition at the time of the conveyance.

(e) **CONDITIONS ON CONVEYANCE.**—The conveyance authorized by subsection (a) is subject to the following conditions:

(1) That the Company provide electricity service to Fort Irwin, California, at a rate established by the appropriate Federal or State regulatory authority.

(2) That the Company comply with all applicable environmental laws and regulations (including any permit or license requirements) regarding the electricity distribution system.

(3) That the Company assume full responsibility for ownership, operation, maintenance, repair, and all regulatory compliance requirements for the electricity distribution system.

(4) That the Company not commence any expansion of the electricity distribution system without approval of such expansion by the Secretary.

(f) **DESCRIPTION OF EASEMENT.**—The exact acreage and legal description of any ease-

ment granted under subsection (c) shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the Company.

(g) **ADDITIONAL TERMS AND CONDITIONS.**—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) and the grant of any easement under subsection (c) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2884. CONVEYANCE OF WATER TREATMENT PLANT, FORT PICKETT, VIRGINIA.

(a) **AUTHORITY TO CONVEY.**—(1) The Secretary of the Army may convey to the Town of Blackstone, Virginia (in this section referred to as the "Town"), all right, title, and interest of the United States in and to the property described in paragraph (2).

(2) The property referred to in paragraph (1) is the following property located at Fort Pickett, Virginia:

(A) A parcel of real property consisting of approximately 10 acres, including a reservoir and improvements thereon, the site of the Fort Pickett water treatment plant.

(B) Any equipment, fixtures, structures, or other improvements (including any water transmission lines, water distribution and service lines, fire hydrants, water pumping stations, and other improvements) not located on the parcel described in subparagraph (A) that are jointly identified by the Secretary and the Town as owned and utilized by the Federal Government in order to provide water to and distribute water at Fort Pickett.

(b) **RELATED EASEMENTS.**—The Secretary may grant to the Town the following easements relating to the conveyance of the property authorized by subsection (a):

(1) Such easements, if any, as the Secretary and the Town jointly determine are necessary in order to provide access to the water distribution system referred to in paragraph (2) of such subsection for maintenance, safety, and other purposes.

(2) Such easements, if any, as the Secretary and the Town jointly determine are necessary in order to provide access to the finished water lines from the system to the Town.

(3) Such rights of way appurtenant, if any, as the Secretary and the Town jointly determine are necessary in order to satisfy requirements imposed by any Federal, State, or municipal agency relating to the maintenance of a buffer zone around the water distribution system.

(c) **WATER RIGHTS.**—The Secretary shall grant to the Town as part of the conveyance under subsection (a) all right, title, and interest of the United States in and to any water of the Nottoway River, Virginia, that is connected with the reservoir referred to in paragraph (2)(A) of such subsection. The grant of such water rights shall not impair the right that any other local jurisdiction may have to withdraw water from the Nottoway River, on or after the date of the enactment of this Act, pursuant to the law of the Commonwealth of Virginia.

(d) **REQUIREMENTS RELATING TO CONVEYANCE.**—(1) The Secretary may not carry out the conveyance of the water distribution system authorized under subsection (a) unless the Town agrees to accept the system in its existing condition at the time of the conveyance.

(2) The Secretary shall complete any environmental removal or remediation required under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) with respect to the system to be conveyed under this section before carrying out the conveyance.

(e) **CONDITIONS ON CONVEYANCE.**—The conveyance authorized in subsection (a) shall be subject to the following conditions:

(1) That the Town reserve for provision to Fort Pickett, and provide to Fort Pickett on demand, not less than 1,500,000 million gallons per day of treated water from the water distribution system.

(2) That the Town provide water to and distribute water at Fort Pickett at a rate established by the appropriate Federal or State regulatory authority.

(3) That the Town maintain and operate the water distribution system in compliance with all applicable Federal and State environmental laws and regulations (including any permit and license requirements).

(f) **DESCRIPTION OF PROPERTY.**—The exact legal description of the property to be conveyed under subsection (a), of any easements granted under subsection (b), and of any water rights granted under subsection (c) shall be determined by a survey and other means satisfactory to the Secretary. The cost of any survey or other services performed at the direction of the Secretary under the authority in the preceding sentence shall be borne by the Town.

(g) **ADDITIONAL TERMS AND CONDITIONS.**—The Secretary may require such additional terms and conditions in connection with the conveyance authorized under subsection (a), the easements granted under subsection (b), and the water rights granted under subsection (c) that the Secretary considers appropriate to protect the interests of the United States.

Subtitle F—Other Matters

SEC. 2891. AUTHORITY TO USE FUNDS FOR CERTAIN EDUCATIONAL PURPOSES.

Section 2008 of title 10, United States Code, is amended by striking out "section 10" and all that follows through the period at the end and inserting in lieu thereof "construction, as defined in section 8013(3) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(3)), or to carry out section 8008 of such Act (20 U.S.C. 7708), relating to the provision of assistance to certain school facilities under the impact aid program."

SEC. 2892. DEPARTMENT OF DEFENSE LABORATORY REVITALIZATION DEMONSTRATION PROGRAM.

(a) **PROGRAM AUTHORIZED.**—The Secretary of Defense may carry out a program (to be known as the "Department of Defense Laboratory Revitalization Demonstration Program") for the revitalization of Department of Defense laboratories. Under the program, the Secretary may carry out minor military construction projects in accordance with subsection (b) and other applicable law to improve Department of Defense laboratories covered by the program.

(b) **INCREASED MAXIMUM AMOUNTS APPLICABLE TO MINOR CONSTRUCTION PROJECTS.**—For purpose of any military construction project carried out under the program—

(1) the amount provided in the second sentence of subsection (a)(1) of section 2805 of title 10, United States Code, shall be deemed to be \$3,000,000;

(2) the amount provided in subsection (b)(1) of such section shall be deemed to be \$1,500,000; and

(3) the amount provided in subsection (c)(1)(B) of such section shall be deemed to be \$1,000,000.

(c) **PROGRAM REQUIREMENTS.**—(1) Not later than 30 days before commencing the program, the Secretary shall—

(A) designate the Department of Defense laboratories at which construction may be carried out under the program; and

(B) establish procedures for the review and approval of requests from such laboratories to carry out such construction.

(2) The laboratories designated under paragraph (1)(A) may not include Department of Defense laboratories that are contractor owned.

(3) The Secretary shall notify Congress of the laboratories designated under paragraph (1)(A).

(d) **REPORT.**—Not later than February 1, 1998, the Secretary shall submit to Congress a report on the program. The report shall include the Secretary's conclusions and recommendations regarding the desirability of extending the authority set forth in subsection (b) to cover all Department of Defense laboratories.

(e) **EXCLUSIVITY OF PROGRAM.**—Nothing in this section may be construed to limit any other authority provided by law for any military construction project at a Department of Defense laboratory covered by the program.

(f) **DEFINITIONS.**—In this section:

(1) The term "laboratory" includes—

(A) a research, engineering, and development center;

(B) a test and evaluation activity owned, funded, and operated by the Federal Government through the Department of Defense; and

(C) a supporting facility of a laboratory.

(2) The term "supporting facility", with respect to a laboratory, means any building or structure that is used in support of research, development, test, and evaluation at the laboratory.

(g) **EXPIRATION OF AUTHORITY.**—The Secretary may not commence a construction project under the program after September 30, 1998.

SEC. 2893. AUTHORITY FOR PORT AUTHORITY OF STATE OF MISSISSIPPI TO USE NAVY PROPERTY AT NAVAL CONSTRUCTION BATTALION CENTER, GULFPORT, MISSISSIPPI.

(a) **JOINT USE AGREEMENT AUTHORIZED.**—The Secretary of the Navy may enter into an agreement with the Port Authority of the State of Mississippi (in this section referred to as the "Port Authority"), under which the Port Authority may use real property comprising up to 50 acres located at the Naval Construction Battalion Center, Gulfport, Mississippi (in this section referred to as the "Center").

(b) **TERM OF AGREEMENT.**—The agreement authorized under subsection (a) may be for an initial period of not more than 15 years. Under the agreement, the Secretary shall provide the Port Authority with an option to extend the agreement for at least three additional periods of five years each.

(c) **CONDITIONS ON USE.**—The agreement authorized under subsection (a) shall require the Port Authority—

(1) to suspend operations under the agreement in the event Navy contingency operations are conducted at the Center; and

(2) to use the property covered by the agreement in a manner consistent with Navy operations conducted at the Center.

(d) **CONSIDERATION.**—(1) As consideration for the use of the property covered by the agreement under subsection (a), the Port Authority shall pay to the Navy an amount equal to the fair market rental value of the property, as determined by the Secretary taking into consideration the Port Authority's use of the property.

(2) The Secretary may include a provision in the agreement requiring the Port Authority—

(A) to pay the Navy an amount (as determined by the Secretary) to cover the costs of replacing at the Center any facilities vacated by the Navy on account of the agreement or to construct suitable replacement facilities for the Navy; and

(B) to pay the Navy an amount (as determined by the Secretary) for the costs of relocating Navy operations from the vacated facilities to the replacement facilities.

(e) **CONGRESSIONAL NOTIFICATION.**—The Secretary may not enter into the agreement authorized by subsection (a) until the end of

the 21-day period beginning on the date on which the Secretary submits to Congress a report containing an explanation of the terms of the proposed agreement and a description of the consideration that the Secretary expects to receive under the agreement.

(f) USE OF PAYMENT.—(1) In such amounts as are provided in advance in appropriation Acts, the Secretary may use amounts paid under subsection (d)(1) to pay for general supervision, administration, and overhead expenses and for improvement, maintenance, repair, construction, or restoration of the roads, railways, and facilities serving the Center.

(2) In such amounts as are provided in advance in appropriation Acts, the Secretary may use amounts paid under subsection (d)(2) to pay for constructing new facilities, or making modifications to existing facilities, that are necessary to replace facilities vacated by the Navy on account of the agreement under subsection (a) and for relocating operations of the Navy from the vacated facilities to replacement facilities.

(g) CONSTRUCTION BY PORT AUTHORITY.—The Secretary may authorize the Port Authority to demolish existing facilities located on the property covered by the agreement under subsection (a) and, consistent with the restriction specified in subsection (c)(2), construct new facilities on the property for joint use by the Port Authority and the Navy.

(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the agreement authorized under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2894. PROHIBITION ON JOINT USE OF NAVAL AIR STATION AND MARINE CORPS AIR STATION, MIRAMAR, CALIFORNIA.

The Secretary of the Navy may not enter into any agreement that provides for or permits civil aircraft to regularly use Naval Air Station or Marine Corps Air Station, Miramar, California.

SEC. 2895. REPORT REGARDING ARMY WATER CRAFT SUPPORT FACILITIES AND ACTIVITIES.

Not later than February 15, 1996, the Secretary of the Army shall submit to Congress a report setting forth—

(1) the location, assets, and mission of each Army facility, active or reserve component, that supports water transportation operations;

(2) an infrastructure inventory and utilization rate of each Army facility supporting water transportation operations;

(3) options for consolidating these operations to reduce overhead; and

(4) actions that can be taken to respond affirmatively to requests from the residents of Marcus Hook, Pennsylvania, to close the Army Reserve facility located in Marcus Hook and make the facility available for use by the community.

SEC. 2896. RESIDUAL VALUE REPORTS.

(a) REPORTS REQUIRED.—The Secretary of Defense, in coordination with the Director of the Office of Management and Budget, shall submit to the congressional defense committees status reports on the results of residual value negotiations between the United States and Germany. Such status reports shall be submitted within 30 days after the receipt of such reports by the Office of Management and Budget.

(b) CONTENT OF STATUS REPORTS.—The status reports required by subsection (a) shall include the following information:

(1) The estimated residual value of United States capital value and improvements to facilities in Germany that the United States has turned over to Germany.

(2) The actual value obtained by the United States for each facility or installation turned over to Germany.

(3) The reasons for any difference between the estimated and actual value obtained.

SEC. 2897. SENSE OF CONGRESS AND REPORT REGARDING FITZSIMONS ARMY MEDICAL CENTER, COLORADO.

(a) FINDINGS.—Congress makes the following findings:

(1) Fitzsimons Army Medical Center in Aurora, Colorado, was approved for closure in 1995 under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note).

(2) The University of Colorado Health Sciences Center and the University of Colorado Hospital Authority are in urgent need of space to maintain their ability to deliver health care to meet the growing demand for their services.

(3) Reuse of the Fitzsimons Army Medical Center at the earliest opportunity would provide significant benefit to the cities of Aurora, Colorado, and Denver, Colorado.

(4) Reuse of the Fitzsimons Army Medical Center by the communities in the vicinity of the center will ensure that the center is fully utilized, thereby providing a benefit to such communities.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) determinations as to the use by other departments and agencies of the Federal Government of buildings and property at military installations approved for closure under the Defense Base Closure and Realignment Act of 1990, including Fitzsimons Army Medical Center, Colorado, should be completed as soon as practicable;

(2) the Secretary of Defense should consider the expedited transfer of appropriate facilities (including facilities that remain operational) at such installations to the redevelopment authorities for such installations in order to ensure continuity of use of such facilities after the closure of such installations, in particular, the Secretary should consider the expedited transfer of the Fitzsimons Army Medical Center because of the significant preparation underway by the redevelopment authority concerned;

(3) the Secretary should not enter into leases with redevelopment authorities for facilities at such installations until the Secretary determines that such leases fall within the categorical exclusions established by the Secretary pursuant to the National Environmental Policy Act (42 U.S.C. 4321 et seq.).

(c) REPORT.—(1) Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the closure and redevelopment of Fitzsimons Army Medical Center.

(2) The report shall include the following:

(A) The results of the determinations as to the use of buildings and property at Fitzsimons Army Medical Center by other departments and agencies of the Federal Government under section 2905(b)(1) of the Defense Base Closure and Realignment Act of 1990.

(B) A description of any actions taken to expedite such determinations.

(C) A discussion of any impediments raised as a result of such determinations to the transfer or lease of Fitzsimons Army Medical Center.

(D) A description of any actions taken by the Secretary to lease Fitzsimons Army Medical Center to the redevelopment authority.

(E) The results of any environmental reviews under the National Environmental Policy Act in which such a lease would fall into the categorical exclusions established by the Secretary of the Army.

(F) The results of the environmental baseline survey regarding Fitzsimons Army Medical Center and a finding of suitability or nonsuitability.

TITLE XXIX—LAND CONVEYANCES INVOLVING JOLIET ARMY AMMUNITION PLANT, ILLINOIS

SEC. 2901. SHORT TITLE.

This title may be cited as the "Illinois Land Conservation Act of 1995".

SEC. 2902. DEFINITIONS.

For purposes of this title, the following definitions apply:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the United States Environmental Protection Agency.

(2) AGRICULTURAL PURPOSES.—The term "agricultural purposes" means the use of land for row crops, pasture, hay, and grazing.

(3) ARSENAL.—The term "Arsenal" means the Joliet Army Ammunition Plant located in the State of Illinois.

(4) ARSENAL LAND USE CONCEPT.—The term "Arsenal land use concept" means the land use proposals that were developed and unanimously approved on May 30, 1995, by the Joliet Arsenal Citizen Planning Commission.

(5) CERCLA.—The term "CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

(6) ENVIRONMENTAL LAW.—The term "environmental law" means all applicable Federal, State, and local laws, regulations, and requirements related to protection of human health, natural and cultural resources, or the environment. Such term includes CERCLA, the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C. 7401 et seq.), the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.), the Toxic Substances Control Act (15 U.S.C. 2601 et seq.), and the Safe Drinking Water Act (42 U.S.C. 300f et seq.).

(7) HAZARDOUS SUBSTANCE.—The term "hazardous substance" has the meaning given such term by section 101(14) of CERCLA (42 U.S.C. 9601(14)).

(8) MNP.—The term "MNP" means the Midewin National Tallgrass Prairie established pursuant to section 2914 and managed as a part of the National Forest System.

(9) PERSON.—The term "person" has the meaning given such term by section 101(21) of CERCLA (42 U.S.C. 9601(21)).

(10) POLLUTANT OR CONTAMINANT.—The term "pollutant or contaminant" has the meaning given such term by section 101(33) of CERCLA (42 U.S.C. 9601(33)).

(11) RELEASE.—The term "release" has the meaning given such term by section 101(22) of CERCLA (42 U.S.C. 9601(22)).

(12) RESPONSE ACTION.—The term "response action" has the meaning given the term "response" by section 101(25) of CERCLA (42 U.S.C. 9601(25)).

Subtitle A—Conversion of Joliet Army Ammunition Plant to Midewin National Tallgrass Prairie

SEC. 2911. PRINCIPLES OF TRANSFER.

(a) LAND USE PLAN.—The Congress ratifies in principle the proposals generally identified by the land use plan which was developed by the Joliet Arsenal Citizen Planning Commission and unanimously approved on May 30, 1995.

(b) TRANSFER WITHOUT REIMBURSEMENT.—The area constituting the Midewin National Tallgrass Prairie shall be transferred, without reimbursement, to the Secretary of Agriculture.

(c) MANAGEMENT OF MNP.—Management by the Secretary of Agriculture of those portions of the Arsenal transferred to the Sec-

retary under this title shall be in accordance with sections 2914 and 2915 regarding the Midewin National Tallgrass Prairie.

(d) SECURITY MEASURES.—The Secretary of the Army and the Secretary of Agriculture shall each provide and maintain physical and other security measures on such portion of the Arsenal as is under the administrative jurisdiction of such Secretary, unless the Secretary of the Army and the Secretary of Agriculture agree otherwise. Such security measures (which may include fences and natural barriers) shall include measures to prevent members of the public from gaining unauthorized access to such portions of the Arsenal as are under the administrative jurisdiction of such Secretary and that may endanger health or safety.

(e) COOPERATIVE AGREEMENTS.—The Secretary of the Army, the Secretary of Agriculture, and the Administrator are individually and collectively authorized to enter into cooperative agreements and memoranda of understanding among each other and with other affected Federal agencies, State and local governments, private organizations, and corporations to carry out the purposes for which the Midewin National Tallgrass Prairie is established.

(f) INTERIM ACTIVITIES OF THE SECRETARY OF AGRICULTURE.—Prior to transfer and subject to such reasonable terms and conditions as the Secretary of the Army may prescribe, the Secretary of Agriculture may enter upon the Arsenal property for purposes related to planning, resource inventory, fish and wildlife habitat manipulation (which may include prescribed burning), and other such activities consistent with the purposes for which the Midewin National Tallgrass Prairie is established.

SEC. 2912. TRANSFER OF MANAGEMENT RESPONSIBILITIES AND JURISDICTION OVER ARSENAL.

(a) GENERAL RULE FOR TRANSFER OF JURISDICTION.—

(1) TRANSFER REQUIRED SUBJECT TO RESPONSE ACTIONS.—Subject to subsection (d), not later than 270 days after the date of the enactment of this title, the Secretary of the Army shall transfer, without reimbursement, to the Secretary of Agriculture those portions of the Arsenal that—

(A) are identified on the map described in subsection (e)(1) as appropriate for transfer under this subsection to the Secretary of Agriculture; and

(B) the Secretary of the Army and the Administrator concur in finding that all response actions have been taken under CERCLA necessary to protect human health and the environment with respect to any hazardous substance remaining on the property.

(2) EFFECT OF LESS THAN COMPLETE TRANSFER.—If the concurrence requirement in paragraph (1)(B) results in the transfer, within such 270-day period, of less than all of the Arsenal property covered by paragraph (1)(A), the Secretary of the Army and the Secretary of Agriculture shall enter into a memorandum of understanding providing for the performance by the Secretary of the Army of the additional response actions necessary to allow fulfillment of the concurrence requirement with respect to such Arsenal property. The memorandum of understanding shall be entered into within 60 days of the end of such 270-day period and shall include a schedule for the completion of the additional response actions as soon as practicable. Subject to subsection (d), the Secretary of the Army shall transfer Arsenal property covered by this paragraph to the Secretary of Agriculture as soon as possible after the Secretary of the Army and the Administrator concur that all additional response actions have been taken under CERCLA necessary to protect human health

and the environment with respect to any hazardous substance remaining on the property. The Secretary of the Army may make transfers under this paragraph on a parcel-by-parcel basis.

(3) RULE OF CONSTRUCTION REGARDING CONCURRENCES.—For the purpose of reaching the concurrences required by this subsection and subsection (b), if a response action requires construction and installation of an approved remedial design, the response action shall be considered to have been taken when the construction and installation of the approved remedial design is completed and the remedy is demonstrated to the satisfaction of the Administrator to be operating properly and successfully.

(b) SPECIAL TRANSFER REQUIREMENTS FOR CERTAIN PARCELS.—Subject to subsection (d), the Secretary of the Army shall transfer, without reimbursement, to the Secretary of Agriculture the Arsenal property known as LAP Area Sites L2, L3, and L5 and Manufacturing Area Site 1. The transfer shall occur as soon as possible after the Secretary of the Army and the Administrator concur that all response actions have been taken under CERCLA necessary to protect human health and the environment with respect to any hazardous substance remaining on the property. The Secretary of the Army may make transfers under this subsection on a parcel-by-parcel basis.

(c) DOCUMENTATION OF ENVIRONMENTAL CONDITION OF PARCELS; ASSESSMENT OF REQUIRED ACTIONS UNDER OTHER ENVIRONMENTAL LAWS.—

(1) DOCUMENTATION.—The Secretary of the Army and the Administrator shall provide to the Secretary of Agriculture all documentation and information that exists on the date the documentation and information is provided relating to the environmental condition of the Arsenal property proposed for transfer under subsection (a) or (b), including documentation that supports the finding that all response actions have been taken under CERCLA necessary to protect human health and the environment with respect to any hazardous substance remaining on the property.

(2) ASSESSMENT.—The Secretary of the Army shall provide to the Secretary of Agriculture an assessment, based on information in existence at the time the assessment is provided, indicating what further action, if any, is required under any environmental law (other than CERCLA) on the Arsenal property proposed for transfer under subsection (a) or (b).

(3) TIME FOR SUBMISSION OF DOCUMENTATION AND ASSESSMENT.—The documentation and assessments required to be submitted to the Secretary of Agriculture under this subsection shall be submitted—

(A) in the case of the transfers required by subsection (a), not later than 210 days after the date of the enactment of this title; and

(B) in the case of the transfers required by subsection (b), not later than 60 days before the earliest date on which the property could be transferred.

(4) SUBMISSION OF ADDITIONAL INFORMATION.—The Secretary of the Army and the Administrator shall have a continuing obligation to provide to the Secretary of Agriculture any additional information regarding the environmental condition of property to be transferred under subsection (a) or (b) as such information becomes available.

(d) EFFECT OF ENVIRONMENTAL ASSESSMENT.—

(1) AUTHORITY OF SECRETARY OF AGRICULTURE TO DECLINE IMMEDIATE TRANSFER.—If a parcel of Arsenal property to be transferred under subsection (a) or (b) includes property for which the assessment under subsection (c)(2) concludes further action is required under any environmental law (other

than CERCLA), the Secretary of Agriculture may decline immediate transfer of the parcel. With respect to such a parcel, the Secretary of the Army and the Secretary of Agriculture shall enter into a memorandum of understanding providing for the performance by the Secretary of the Army of the required actions identified in the Army assessment. The memorandum of understanding shall be entered into within 90 days after the date on which the Secretary of Agriculture declines immediate transfer of the parcel and shall include a schedule for the completion of the required actions as soon as practicable.

(2) EVENTUAL TRANSFER.—In the case of a parcel of Arsenal property that the Secretary of Agriculture declines immediate transfer under paragraph (1), the Secretary may accept transfer of the parcel at any time after the original finding with respect to the parcel that all response actions have been taken under CERCLA necessary to protect human health and the environment with respect to any hazardous substance remaining on the property. The Secretary of Agriculture shall accept transfer of the parcel as soon as possible after the date on which all required further actions identified in the assessment have been taken and the terms of any memorandum of understanding have been satisfied.

(e) IDENTIFICATION OF ARSENAL PROPERTY FOR TRANSFER.—

(1) MAP OF PROPOSED TRANSFERS.—The lands subject to transfer to the Secretary of Agriculture under subsections (a) and (b) and section 2916 are depicted on the map dated September 22, 1995, which is on file and available for public inspection at the Office of the Chief of the Forest Service and the Office of the Assistant Secretary of the Army for Installations, Logistics and the Environment.

(2) METHOD OF EFFECTING TRANSFER.—The Secretary of the Army shall effect the transfer of jurisdiction of Arsenal property under subsections (a) and (b) and section 2916 by publication of notices in the Federal Register. The Secretary of Agriculture shall give prior concurrence to the publication of such notices. Each notice published in the Federal Register shall refer to the parcel being transferred by legal description, references to maps or surveys, or other forms of description mutually acceptable to the Secretary of the Army and the Secretary of Agriculture. The Secretary of the Army shall provide, without reimbursement, to the Secretary of Agriculture copies of all surveys and land title information on lands transferred under this section or section 2916.

(f) SURVEYS.—All costs of necessary surveys for the transfer of jurisdiction of Arsenal property from the Secretary of the Army to the Secretary of Agriculture shall be borne by the Secretary of Agriculture.

SEC. 2913. RESPONSIBILITY AND LIABILITY.

(a) CONTINUED LIABILITY OF SECRETARY OF THE ARMY.—The transfers of Arsenal property under sections 2912 and 2916, and the requirements of such sections, shall not in any way affect the responsibilities and liabilities of the Secretary of the Army specified in this section. The Secretary of the Army shall retain any obligation or other liability at the Arsenal that the Secretary of the Army has under CERCLA or other environmental laws. Following transfer of a portion of the Arsenal under this subtitle, the Secretary of the Army shall be accorded any easement or access to the property that may be reasonably required by the Secretary to carry out the obligation or satisfy the liability.

(b) SPECIAL PROTECTIONS FOR SECRETARY OF AGRICULTURE.—The Secretary of Agriculture shall not be liable under any environmental law for matters which are related directly or indirectly to activities of the

Secretary of the Army at the Arsenal or any party acting under the authority of the Secretary of the Army at the Arsenal, including any of the following:

(1) Costs or performance of response actions required under CERCLA at or related to the Arsenal.

(2) Costs, penalties, fines, or performance of actions related to noncompliance with any environmental law at or related to the Arsenal or related to the presence, release, or threat of release of any hazardous substance, pollutant or contaminant, hazardous waste, or hazardous material of any kind at or related to the Arsenal, including contamination resulting from migration of a hazardous substance, pollutant or contaminant, hazardous waste, hazardous material, or petroleum products or their derivatives.

(3) Costs or performance of actions necessary to remedy noncompliance or another problem specified in paragraph (2).

(c) LIABILITY OF OTHER PERSONS.—Nothing in this title shall be construed to effect, modify, amend, repeal, alter, limit or otherwise change, directly or indirectly, the responsibilities or liabilities under any environmental law of any person (including the Secretary of Agriculture), except as provided in subsection (b) with respect to the Secretary of Agriculture.

(d) PAYMENT OF RESPONSE ACTION COSTS.—A Federal agency that had or has operations at the Arsenal resulting in the release or threatened release of a hazardous substance or pollutant or contaminant for which that agency would be liable under any environmental law, subject to the provisions of this subtitle, shall pay the costs of related response actions and shall pay the costs of related actions to remediate petroleum products or the derivatives of the products, including motor oil and aviation fuel.

(e) CONSULTATION.—

(1) RESPONSIBILITY OF SECRETARY OF AGRICULTURE.—The Secretary of Agriculture shall consult with the Secretary of the Army with respect to the management by the Secretary of Agriculture of real property included in the Midewin National Tallgrass Prairie subject to any response action or other action at the Arsenal being carried out by or under the authority of the Secretary of the Army under any environmental law. The Secretary of Agriculture shall consult with the Secretary of the Army prior to undertaking any activities on the Midewin National Tallgrass Prairie that may disturb the property to ensure that such activities will not exacerbate contamination problems or interfere with performance by the Secretary of the Army of response actions at the property.

(2) RESPONSIBILITY OF SECRETARY OF THE ARMY.—In carrying out response actions at the Arsenal, the Secretary of the Army shall consult with the Secretary of Agriculture to ensure that such actions are carried out in a manner consistent with the purposes for which the Midewin National Tallgrass Prairie is established, as specified in section 2914(c), and the other provisions of sections 2914 and 2915.

SEC. 2914. ESTABLISHMENT AND ADMINISTRATION OF MIDEWIN NATIONAL TALLGRASS PRAIRIE.

(a) ESTABLISHMENT.—On the effective date of the initial transfer of jurisdiction of portions of the Arsenal to the Secretary of Agriculture under section 2912(a), the Secretary of Agriculture shall establish the Midewin National Tallgrass Prairie. The MNP shall—

(1) be administered by the Secretary of Agriculture; and

(2) consist of the real property so transferred and such other portions of the Arsenal subsequently transferred under section 2912(b) or 2916 or acquired under section 2914(d).

(b) ADMINISTRATION.—

(1) IN GENERAL.—The Secretary of Agriculture shall manage the Midewin National Tallgrass Prairie as a part of the National Forest System in accordance with this title and the laws, rules, and regulations pertaining to the National Forest System, except that the Bankhead-Jones Farm Tenant Act of 1937 (7 U.S.C. 1010-1012) shall not apply to the MNP.

(2) INITIAL MANAGEMENT ACTIVITIES.—In order to expedite the administration and public use of the Midewin National Tallgrass Prairie, the Secretary of Agriculture may conduct management activities at the MNP to effectuate the purposes for which the MNP is established, as set forth in subsection (c), in advance of the development of a land and resource management plan for the MNP.

(3) LAND AND RESOURCE MANAGEMENT PLAN.—In developing a land and resource management plan for the Midewin National Tallgrass Prairie, the Secretary of Agriculture shall consult with the Illinois Department of Natural Resources and local governments adjacent to the MNP and provide an opportunity for public comment. Any parcel transferred to the Secretary of Agriculture under this title after the development of a land and resource management plan for the MNP may be managed in accordance with such plan without need for an amendment to the plan.

(c) PURPOSES OF THE MIDEWIN NATIONAL TALLGRASS PRAIRIE.—The Midewin National Tallgrass Prairie is established to be managed for National Forest System purposes, including the following:

(1) To manage the land and water resources of the MNP in a manner that will conserve and enhance the native populations and habitats of fish, wildlife, and plants.

(2) To provide opportunities for scientific, environmental, and land use education and research.

(3) To allow the continuation of agricultural uses of lands within the MNP consistent with section 2915(b).

(4) To provide a variety of recreation opportunities that are not inconsistent with the preceding purposes.

(d) OTHER LAND ACQUISITION FOR MNP.—

(1) AVAILABILITY OF LAND ACQUISITION FUNDS.—Notwithstanding section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4607-9), the Secretary of Agriculture may use monies appropriated from the Land and Water Conservation Fund established under section 2 of such Act (16 U.S.C. 4607-5) for the acquisition of lands and interests in land for inclusion in the Midewin National Tallgrass Prairie.

(2) ACQUISITION OF LANDS.—The Secretary of Agriculture may acquire lands or interests therein for inclusion in the Midewin National Tallgrass Prairie by donation, purchase, or exchange, except that the acquisition of private lands for inclusion in the MNP shall be on a willing seller basis only.

(e) COOPERATION WITH STATES, LOCAL GOVERNMENTS AND OTHER ENTITIES.—In the management of the Midewin National Tallgrass Prairie, the Secretary of Agriculture is authorized and encouraged to cooperate with appropriate Federal, State and local governmental agencies, private organizations and corporations. Such cooperation may include cooperative agreements as well as the exercise of the existing authorities of the Secretary under the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101 et seq.) and the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1641 et seq.). The objects of such cooperation may include public education, land and resource protection, and cooperative management among government, corporate, and private landowners in a manner which furthers the

purposes for which the Midewin National Tallgrass Prairie is established.

SEC. 2915. SPECIAL MANAGEMENT REQUIREMENTS FOR MIDEWIN NATIONAL TALLGRASS PRAIRIE.

(a) PROHIBITION AGAINST THE CONSTRUCTION OF NEW THROUGH ROADS.—No new construction of any highway, public road, or any part of the interstate system, whether Federal, State, or local, shall be permitted through or across any portion of the Midewin National Tallgrass Prairie. Nothing in this title shall preclude construction and maintenance of roads for use within the MNP, the granting of authorizations for utility rights-of-way under applicable Federal law, or such access as is necessary. Nothing in this title shall preclude necessary access by the Secretary of the Army for purposes of restoration and cleanup as provided in this title.

(b) AGRICULTURAL LEASES AND SPECIAL USE AUTHORIZATIONS.—Within the Midewin National Tallgrass Prairie, use of the lands for agricultural purposes shall be permitted subject to the following terms and conditions:

(1) If at the time of transfer of jurisdiction under section 2912 or 2916 there exists any lease issued by the Secretary of the Army or the Secretary of Defense for agricultural purposes upon the parcel transferred, the Secretary of Agriculture shall issue a special use authorization to supersede the lease. The terms of the special use authorization shall be identical in substance to the lease that the special use authorization is superseding, including the expiration date and any payments owed the United States. On issuance of the special use authorization, the lease shall become void.

(2) In addition to the authority provided in paragraph (1), the Secretary of Agriculture may issue special use authorizations to persons for use of the Midewin National Tallgrass Prairie for agricultural purposes. Special use authorizations issued pursuant to this paragraph shall include terms and conditions as the Secretary of Agriculture may deem appropriate.

(3) No agricultural special use authorization shall be issued for agricultural purposes which has a term extending beyond the date 20 years from the date of the enactment of this title, except that nothing in this title shall preclude the Secretary of Agriculture from issuing agricultural special use authorizations or grazing permits which are effective after twenty years from the date of enactment of this title for purposes primarily related to erosion control, provision for food and habitat for fish and wildlife, or other resource management activities consistent with the purposes of the Midewin National Tallgrass Prairie.

(c) TREATMENT OF RENTAL FEES.—Monies received under a special use authorization issued under subsection (b) shall be subject to distribution to the State of Illinois and affected counties pursuant to the Act of May 23, 1908, and section 13 of the Act of March 1, 1911 (16 U.S.C. 500). All monies not distributed pursuant to such Acts shall be covered into the Treasury and shall constitute a special fund (to be known as the "MNP Rental Fee Account"). The Secretary of Agriculture may use amounts in the fund, until expended and without fiscal year limitation, to cover the cost to the United States of prairie improvement work at the Midewin National Tallgrass Prairie. Any amounts in the fund that the Secretary of Agriculture determines to be in excess of the cost of doing such work shall be transferred, upon such determination, to miscellaneous receipts, Forest Service Fund, as a National Forest receipt of the fiscal year in which the transfer is made.

(d) USER FEES.—The Secretary of Agriculture is authorized to charge reasonable fees for the admission, occupancy, and use of the Midewin National Tallgrass Prairie and

may prescribe a fee schedule providing for reduced or a waiver of fees for persons or groups engaged in authorized activities including those providing volunteer services, research, or education. The Secretary shall permit admission, occupancy, and use at no additional charge for persons possessing a valid Golden Eagle Passport or Golden Age Passport.

(e) SALVAGE OF IMPROVEMENTS.—The Secretary of Agriculture may sell for salvage value any facilities and improvements which have been transferred to the Secretary pursuant to this title.

(f) TREATMENT OF USER FEES AND SALVAGE RECEIPTS.—Monies collected pursuant to subsections (d) and (e) shall be covered into the Treasury and constitute a special fund (to be known as the "Midewin National Tallgrass Prairie Restoration Fund"). The Secretary of Agriculture may use amounts in the fund, in such amounts as are provided in advance in appropriation Acts, for restoration and administration of the Midewin National Tallgrass Prairie, including construction of a visitor and education center, restoration of ecosystems, construction of recreational facilities (such as trails), construction of administrative offices, and operation and maintenance of the MNP. The Secretary of Agriculture shall include the MNP among the areas under the jurisdiction of the Secretary selected for inclusion in any cost recovery or any pilot program of the Secretary for the collection, use, and distribution of user fees.

SEC. 2916. SPECIAL TRANSFER RULES FOR CERTAIN ARSENAL PARCELS INTENDED FOR MNP.

(a) DESCRIPTION OF PARCELS.—The following areas of the Arsenal may be transferred under this section:

- (1) Study Area 2, explosive burning ground.
- (2) Study Area 3, flashing ground.
- (3) Study Area 4, lead azide area.
- (4) Study Area 10, toluene tank farms.
- (5) Study Area 11, landfill.
- (6) Study Area 12, sellite manufacturing area.
- (7) Study Area 14, former pond area.
- (8) Study Area 15, sewage treatment plan.
- (9) Study Area L1, load assemble packing area, group 61.
- (10) Study Area L4, landfill area.
- (11) Study Area L7, group 1.
- (12) Study Area L8, group 2.
- (13) Study Area L9, group 3.
- (14) Study Area L10, group 3A.
- (15) Study Area L14, group 4.
- (16) Study Area L15, group 5.
- (17) Study Area L18, group 8.
- (18) Study Area L19, group 9.
- (19) Study Area L33, PVC area.

(20) Any other lands proposed for transfer as depicted on the map described in section 2912(e)(1) and not otherwise specifically identified for transfer under this subtitle.

(b) INFORMATION REGARDING ENVIRONMENTAL CONDITION OF PARCELS; ASSESSMENT OF REQUIRED ACTIONS UNDER OTHER ENVIRONMENTAL LAWS.—

(1) INFORMATION.—Not later than 180 days after the date on which the Secretary of the Army and the Administrator concur in finding that, with respect to a parcel of Arsenal property described in subsection (a), all response actions have been taken under CERCLA necessary to protect human health and the environment with respect to any hazardous substance remaining on the parcel, the Secretary of the Army and the Administrator shall provide to the Secretary of Agriculture all information that exists on such date regarding the environmental condition of the parcel and the implementation of any response action, including information regarding the effectiveness of the response action.

(2) ASSESSMENT.—At the same time as information is provided under paragraph (1) with regard to a parcel of Arsenal property described in subsection (a), the Secretary of the Army shall provide to the Secretary of Agriculture an assessment, based on information in existence at the time the assessment is provided, indicating what further action, if any, is required under any environmental law (other than CERCLA) with respect to the parcel.

(3) SUBMISSION OF ADDITIONAL INFORMATION.—The Secretary of the Army and the Administrator shall have a continuing obligation to provide to the Secretary of Agriculture any additional information regarding the environmental condition of a parcel of the Arsenal property described in subsection (a) as such information becomes available.

(c) OFFER OF TRANSFER.—Not later than 180 days after the date on which information is provided under subsection (b)(1) with regard to a parcel of the Arsenal property described in subsection (a), the Secretary of the Army shall offer the Secretary of Agriculture the option of accepting a transfer of the parcel, without reimbursement, to be added to the Midewin National Tallgrass Prairie. The transfer shall be subject to the terms and conditions of this subtitle, including the liability provisions contained in section 2913. The Secretary of Agriculture has the option to accept or decline the offered transfer. The transfer of property under this section may be made on a parcel-by-parcel basis.

(d) EFFECT OF ENVIRONMENTAL ASSESSMENT.—

(1) AUTHORITY OF SECRETARY OF AGRICULTURE TO DECLINE TRANSFER.—If a parcel of Arsenal property described in subsection (a) includes property for which the assessment under subsection (b)(2) concludes further action is required under any other environmental law, the Secretary of Agriculture may decline any transfer of the parcel. Alternatively, the Secretary of Agriculture may decline immediate transfer of the parcel and enter into a memorandum of understanding with the Secretary of the Army providing for the performance by the Secretary of the Army of the required actions identified in the Army assessment with respect to the parcel. The memorandum of understanding shall be entered into within 90 days, or such later date as the Secretaries may establish, after the date on which the Secretary of Agriculture declines immediate transfer of the parcel and shall include a schedule for the completion of the required actions as soon as practicable.

(2) EVENTUAL TRANSFER.—The Secretary of Agriculture may accept or decline at any time for any reason the transfer of a parcel covered by this section. However, if the Secretary of Agriculture and the Secretary of the Army enter into a memorandum of understanding under paragraph (1) providing for transfer of the parcel, the Secretary of Agriculture shall accept transfer of the parcel as soon as possible after the date on which all required further actions identified in the assessment have been taken and the requirements of the memorandum of understanding have been satisfied.

(e) RULE OF CONSTRUCTION REGARDING CONCURRENCES.—For the purpose of the reaching the concurrence required by subsection (b)(1), if a response action requires construction and installation of an approved remedial design, the response action shall be considered to have been taken when the construction and installation of the approved remedial design is completed and the remedy is demonstrated to the satisfaction of the Administrator to be operating properly and successfully.

(f) INCLUSIONS AND EXCEPTIONS.—

(1) INCLUSIONS.—The parcels of Arsenal property described in subsection (a) shall include all associated inventoried buildings and structures as identified in the Joliet Army Ammunition Plant Plantwide Building and Structures Report and the contaminate study sites for both the manufacturing and load assembly and packing sites of the Arsenal as shown in the Dames and Moore Final Report, Phase 2 Remedial Investigation Manufacturing (MFG) Area Joliet Army Ammunition Plant, Joliet, Illinois (May 30, 1993, Contract No. DAAA15-90-D-0015 task order No. 6 prepared for the United States Army Environmental Center).

(2) EXCEPTION.—The parcels described in subsection (a) shall not include the property at the Arsenal designated for transfer or conveyance under subtitle B.

**Subtitle B—Other Land Conveyances
Involving Joliet Army Ammunition Plant**

SEC. 2921. CONVEYANCE OF CERTAIN REAL PROPERTY AT ARSENAL FOR A NATIONAL CEMETERY.

(a) CONVEYANCE AUTHORIZED.—Subject to section 2931, the Secretary of the Army may transfer, without reimbursement, to the Secretary of Veterans Affairs the parcel of real property at the Arsenal described in subsection (b) for use as a national cemetery operated as part of the National Cemetery System of the Department of Veterans Affairs under chapter 24 of title 38, United States Code.

(b) DESCRIPTION OF PROPERTY.—The real property authorized to be transferred under subsection (a) is a parcel of real property at the Arsenal consisting of approximately 982 acres, the approximate legal description of which includes part of sections 30 and 31, Jackson Township, Township 34 North, Range 10 East, and part of sections 25 and 36, Channahon Township, Township 34 North, Range 10 East, Will County, Illinois, as depicted in the Arsenal land use concept.

(c) SECURITY MEASURES.—The Secretary of Veterans Affairs shall provide and maintain physical and other security measures on the real property transferred under subsection (a). Such security measures (which may include fences and natural barriers) shall include measures to prevent members of the public from gaining unauthorized access to the portion of the Arsenal that is under the administrative jurisdiction of the Secretary of Veterans Affairs and that may endanger health or safety.

(d) SURVEYS.—All costs of necessary surveys for the transfer of jurisdiction of Arsenal properties from the Secretary of the Army to the Secretary of Veterans Affairs shall be borne solely by the Secretary of Veterans Affairs.

SEC. 2922. CONVEYANCE OF CERTAIN REAL PROPERTY AT ARSENAL FOR A COUNTY LANDFILL.

(a) CONVEYANCE AUTHORIZED.—Subject to section 2931, the Secretary of the Army may convey, without compensation, to Will County, Illinois, all right, title, and interest of the United States in and to the parcel of real property at the Arsenal described in subsection (b), which shall be operated as a landfill by the County.

(b) DESCRIPTION OF PROPERTY.—The real property authorized to be conveyed under subsection (a) is a parcel of real property at the Arsenal consisting of approximately 455 acres, the approximate legal description of which includes part of sections 8, 9, 16, and 17, Florence Township, Township 33 North, Range 10 East, Will County, Illinois, as depicted in the Arsenal land use concept.

(c) CONDITION ON CONVEYANCE.—The conveyance shall be subject to the condition that the Department of the Army, the Department of Veterans Affairs, and the Department of Agriculture (or their agents or

assigns) may use the landfill established on the real property conveyed under subsection (a) for the disposal of construction debris, refuse, and other materials related to any restoration and cleanup of Arsenal property. Such use shall be subject to applicable environmental laws and at no cost to the Federal Government.

(d) REVERSIONARY INTEREST.—If, at the end of the five-year period beginning on the date of the conveyance under subsection (a), the Secretary of Agriculture determines that the conveyed property is not opened for operation as a landfill, then, at the option of the Secretary of Agriculture, all right, title, and interest in and to the property, including improvements thereon, shall revert to the United States. Upon any such reversion, the property shall be included in the Midewin National Tallgrass Prairie. In the event the United States exercises its option to cause the property to revert, the United States shall have the right of immediate entry onto the property.

(e) INFORMATION REGARDING ENVIRONMENTAL CONDITIONS.—At the request of the Secretary of Agriculture, Will County, the Secretary of the Army, and the Administrator shall provide to the Secretary of Agriculture all information in their possession at the time of the request regarding the environmental condition of the real property to be conveyed under this section. The liability and responsibility of any person under any environmental law shall remain unchanged with respect to the landfill, except as provided in this title, including section 2913.

(f) SURVEYS.—All costs of necessary surveys for the conveyance of real property under this section shall be borne by Will County, Illinois.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Army may require such additional terms and conditions in connection with the conveyance under this section as the Secretary of the Army considers appropriate to protect the interests of the United States.

SEC. 2923. CONVEYANCE OF CERTAIN REAL PROPERTY AT ARSENAL FOR INDUSTRIAL PARKS.

(a) CONVEYANCE AUTHORIZED.—Subject to section 2931, the Secretary of the Army may convey to the State of Illinois, all right, title, and interest of the United States in and to the parcels of real property at the Arsenal described in subsection (b), which shall be used as industrial parks to replace all or a part of the economic activity lost at the Arsenal.

(b) DESCRIPTION OF PROPERTY.—The real property at the Arsenal authorized to be transferred under subsection (a) consists of the following parcels:

(1) A parcel of approximately 1,900 acres, the approximate legal description of which includes part of section 30, Jackson Township, Township 34 North, Range 10 East, and sections or parts of sections 24, 25, 26, 35, and 36, Township 34 North, Range 9 East, in Channahon Township, an area of 9.77 acres around the Des Plaines River Pump Station located in the southeast quarter of section 15, Township 34 North, Range 9 East of the Third Principal Meridian, in Channahon Township, and an area of 511 feet by 596 feet around the Kankakee River Pump Station in the Northwest Quarter of section 5, Township 33 North, Range 9 East, east of the Third Principal Meridian in Wilmington Township, containing 6.99 acres, located along the easterly side of the Kankakee Cut-Off in Will County, Illinois, as depicted in the Arsenal land use concept, and the connecting piping to the northern industrial site, as described by the United States Army Report of Availability, dated 13 December 1993.

(2) A parcel of approximately 1,100 acres, the approximate legal description of which

includes part of sections 16, 17, and 18 in Florence Township, Township 33 North, Range 10 East, Will County, Illinois, as depicted in the Arsenal land use concept.

(c) CONSIDERATION.—

(1) DELAY IN PAYMENT OF CONSIDERATION.—After the end of the 20-year period beginning on the date on which the conveyance under subsection (a) is completed, the State of Illinois shall pay to the United States an amount equal to fair market value of the conveyed property as of the time of the conveyance.

(2) EFFECT OF RECONVEYANCE BY STATE.—If the State of Illinois reconveys all or any part of the conveyed property during such 20-year period, the State shall pay to the United States an amount equal to the fair market value of the reconveyed property as of the time of the reconveyance, excluding the value of any improvements made to the property by the State.

(3) DETERMINATION OF FAIR MARKET VALUE.—The Secretary of the Army shall determine fair market value in accordance with Federal appraisal standards and procedures.

(4) TREATMENT OF LEASES.—The Secretary of the Army may treat a lease of the property within such 20-year period as a reconveyance if the Secretary determines that the lease is being used to avoid application of paragraph (2).

(5) DEPOSIT OF PROCEEDS.—The Secretary of the Army shall deposit any proceeds received under this subsection in the special account established pursuant to section 204(h)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(2)).

(d) CONDITIONS OF CONVEYANCE.—

(1) REDEVELOPMENT AUTHORITY.—The conveyance under subsection (a) shall be subject to the condition that the Governor of the State of Illinois, in consultation with the Mayor of the Village of Elwood, Illinois, and the Mayor of the City of Wilmington, Illinois, establish a redevelopment authority to be responsible for overseeing the development of the industrial parks on the conveyed property.

(2) TIME FOR ESTABLISHMENT.—To satisfy the condition specified in paragraph (1), the redevelopment authority shall be established within one year after the date of the enactment of this title.

(e) SURVEYS.—All costs of necessary surveys for the conveyance of real property under this section shall be borne by the State of Illinois.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Army may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

Subtitle C—Miscellaneous Provisions

SEC. 2931. DEGREE OF ENVIRONMENTAL CLEANUP.

(a) IN GENERAL.—Nothing in this title shall be construed to restrict or lessen the degree of cleanup at the Arsenal required to be carried out under provisions of any environmental law.

(b) RESPONSE ACTION.—The establishment of the Midewin National Tallgrass Prairie under subtitle A and the additional real property transfers or conveyances authorized under subtitle B shall not restrict or lessen in any way any response action or degree of cleanup under CERCLA or other environmental law, or any action required under any environmental law to remediate petroleum products or their derivatives (including motor oil and aviation fuel), required to be carried out under the authority of the Secretary of the Army at the Arsenal and surrounding areas.

(c) ENVIRONMENTAL QUALITY OF PROPERTY.—Any contract for sale, deed, or other

transfer of real property under subtitle B shall be carried out in compliance with all applicable provisions of section 120(h) of CERCLA and other environmental laws.

SEC. 2932. RETENTION OF PROPERTY USED FOR ENVIRONMENTAL CLEANUP.

(a) RETENTION OF CERTAIN PROPERTY.—Unless and until the Arsenal property described in this subsection is actually transferred or conveyed under this title or other applicable law, the Secretary of the Army may retain jurisdiction, authority, and control over real property at the Arsenal to be used for—

(1) water treatment;

(2) the treatment, storage, or disposal of any hazardous substance, pollutant or contaminant, hazardous material, or petroleum products or their derivatives;

(3) other purposes related to any response action at the Arsenal; and

(4) other actions required at the Arsenal under any environmental law to remediate contamination or conditions of noncompliance with any environmental law.

(b) CONDITIONS.—The Secretary of the Army shall consult with the Secretary of Agriculture regarding the identification and management of the real property retained under this section and ensure that activities carried out on that property are consistent, to the extent practicable, with the purposes for which the Midewin National Tallgrass Prairie is established, as specified in section 2914(c), and with the other provisions of sections 2914 and 2915.

(c) PRIORITY OF RESPONSE ACTIONS.—In the case of any conflict between management of the property by the Secretary of Agriculture and any response action required under CERCLA, or any other action required under any other environmental law, including actions to remediate petroleum products or their derivatives, the response action or other action shall take priority.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

SEC. 3101. WEAPONS ACTIVITIES.

(a) STOCKPILE STEWARDSHIP.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for stockpile stewardship in carrying out weapons activities necessary for national security programs in the amount of \$1,567,175,000, to be allocated as follows:

(1) For core stockpile stewardship, \$1,159,708,000, to be allocated as follows:

(A) For operation and maintenance, \$1,078,403,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), \$81,305,000, to be allocated as follows:

Project 96-D-102, stockpile stewardship facilities revitalization, Phase VI, various locations, \$2,520,000.

Project 96-D-103, ATLAS, Los Alamos National Laboratory, Los Alamos, New Mexico, \$8,400,000.

Project 96-D-104, processing and environmental technology laboratory (PETL), Sandia National Laboratories, Albuquerque, New Mexico, \$1,800,000.

Project 96-D-105, contained firing facility addition, Lawrence Livermore National Laboratory, Livermore, California, \$6,600,000.

Project 95-D-102, Chemical and Metallurgy Research Building upgrades project, Los Alamos National Laboratory, Los Alamos, New Mexico, \$9,940,000.

Project 94-D-102, nuclear weapons research, development, and testing facilities revitalization, Phase V, various locations, \$12,200,000.

Project 93-D-102, Nevada support facility, North Las Vegas, Nevada, \$15,650,000.

Project 90-D-102, nuclear weapons research, development, and testing facilities revitalization, Phase III, various locations, \$6,200,000.

Project 88-D-106, nuclear weapons research, development, and testing facilities revitalization, Phase II, various locations, \$17,995,000.

(2) For inertial fusion, \$240,667,000, to be allocated as follows:

(A) For operation and maintenance, \$203,267,000.

(B) For the following plant project (including maintenance, restoration, planning, construction, acquisition, and modification of facilities, and land acquisition related thereto), \$37,400,000:

Project 96-D-111, national ignition facility, location to be determined, \$37,400,000.

(3) For technology transfer and education, \$160,000,000.

(4) For Marshall Islands, \$6,800,000.

(b) STOCKPILE MANAGEMENT.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for stockpile management in carrying out weapons activities necessary for national security programs in the amount of \$2,025,083,000, to be allocated as follows:

(1) For operation and maintenance, \$1,911,458,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), \$113,625,000, to be allocated as follows:

Project 96-D-122, sewage treatment quality upgrade (STQU), Pantex Plant, Amarillo, Texas, \$600,000.

Project 96-D-123, retrofit heating, ventilation, and air conditioning and chillers for ozone protection, Y-12 Plant, Oak Ridge, Tennessee, \$3,100,000.

Project 96-D-125, Washington measurements operations facility, Andrews Air Force Base, Camp Springs, Maryland, \$900,000.

Project 96-D-126, tritium loading line modifications, Savannah River Site, South Carolina, \$12,200,000.

Project 95-D-122, sanitary sewer upgrade, Y-12 Plant, Oak Ridge, Tennessee, \$6,300,000.

Project 94-D-124, hydrogen fluoride supply system, Y-12 Plant, Oak Ridge, Tennessee, \$8,700,000.

Project 94-D-125, upgrade life safety, Kansas City Plant, Kansas City, Missouri, \$5,500,000.

Project 94-D-127, emergency notification system, Pantex Plant, Amarillo, Texas, \$2,000,000.

Project 94-D-128, environmental safety and health analytical laboratory, Pantex Plant, Amarillo, Texas, \$4,000,000.

Project 93-D-122, life safety upgrades, Y-12 Plant, Oak Ridge, Tennessee, \$7,200,000.

Project 93-D-123, complex-21, various locations, \$41,065,000.

Project 88-D-122, facilities capability assurance program, various locations, \$8,660,000.

Project 88-D-123, security enhancement, Pantex Plant, Amarillo, Texas, \$13,400,000.

(c) PROGRAM DIRECTION.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for program direction in carrying out weapons activities necessary for national security programs in the amount of \$115,000,000.

(d) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts authorized to be appropriated in subsections (a) through (c) reduced by the sum of—

(1) \$37,200,000, for savings resulting from procurement reform; and

(2) \$209,744,000, for use of prior year balances.

SEC. 3102. ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) ENVIRONMENTAL RESTORATION.—Subject to subsection (h), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for environmental restoration in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of \$1,635,973,000.

(b) WASTE MANAGEMENT.—Subject to subsection (h), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for waste management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of \$2,470,598,000, to be allocated as follows:

(1) For operation and maintenance, \$2,295,994,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), \$174,604,000, to be allocated as follows:

Project 96-D-406, spent nuclear fuels canister storage and stabilization facility, Richland, Washington, \$42,000,000.

Project 96-D-407, mixed waste/low-level waste treatment projects, Rocky Flats Plant, Golden, Colorado, \$2,900,000.

Project 96-D-408, waste management upgrades, various locations, \$5,615,000.

Project 95-D-402, install permanent electrical service, Waste Isolation Pilot Plant, Carlsbad, New Mexico, \$4,314,000.

Project 95-D-405, industrial landfill V and construction/demolition landfill VII, Phase III, Y-12 Plant, Oak Ridge, Tennessee, \$4,600,000.

Project 95-D-406, road 5-01 reconstruction, area 5, Nevada Test Site, Nevada, \$1,023,000.

Project 95-D-407, 219-S secondary containment upgrade, Richland Washington, \$1,000,000.

Project 94-D-400, high explosive wastewater treatment system, Los Alamos National Laboratory, Los Alamos, New Mexico, \$4,445,000.

Project 94-D-402, liquid waste treatment system, Nevada Test Site, Nevada, \$282,000.

Project 94-D-404, Melton Valley storage tank capacity increase, Oak Ridge National Laboratory, Oak Ridge, Tennessee, \$11,000,000.

Project 94-D-407, initial tank retrieval systems, Richland, Washington, \$12,000,000.

Project 94-D-411, solid waste operation complex, Richland, Washington, \$6,606,000.

Project 93-D-178, building 374 liquid waste treatment facility, Rocky Flats Plant, Golden, Colorado, \$3,900,000.

Project 93-D-181, radioactive liquid waste line replacement, Richland, Washington, \$5,000,000.

Project 93-D-182, replacement of cross-site transfer system, Richland, Washington, \$19,795,000.

Project 93-D-187, high-level waste removal from filled waste tanks, Savannah River Site, South Carolina, \$19,700,000.

Project 92-D-171, mixed waste receiving and storage facility, Los Alamos National Laboratory, Los Alamos, New Mexico, \$1,105,000.

Project 92-D-188, waste management environmental, safety and health (ES&H) and

compliance activities, various locations, \$1,100,000.

Project 90-D-172, aging waste transfer lines, Richland, Washington, \$2,000,000.

Project 90-D-177, RWMC transuranic (TRU) waste characterization and storage facility, Idaho National Engineering Laboratory, Idaho, \$1,428,000.

Project 90-D-178, TSA retrieval enclosure, Idaho National Engineering Laboratory, Idaho, \$2,606,000.

Project 89-D-173, tank farm ventilation upgrade, Richland, Washington, \$800,000.

Project 89-D-174, replacement high-level waste evaporator, Savannah River Site, Aiken, South Carolina, \$11,500,000.

Project 86-D-103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, \$8,885,000.

Project 83-D-148, nonradioactive hazardous waste management, Savannah River Site, Aiken, South Carolina, \$1,000,000.

(c) TECHNOLOGY DEVELOPMENT.—Subject to subsection (h), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for technology development in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of \$440,510,000.

(d) TRANSPORTATION MANAGEMENT.—Subject to subsection (h), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for transportation management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of \$13,158,000.

(e) NUCLEAR MATERIALS AND FACILITIES STABILIZATION.—Subject to subsection (h), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for nuclear materials and facilities stabilization in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of \$1,561,854,000 to be allocated as follows:

(1) For operation and maintenance, \$1,447,108,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), \$114,746,000, to be allocated as follows:

Project 96-D-457, thermal treatment system, Richland Washington, \$1,000,000.

Project 96-D-458, site drainage control, Mound Plant, Miamisburg, Ohio, \$885,000.

Project 96-D-461, electrical distribution upgrade, Idaho National Engineering Laboratory, Idaho, \$1,539,000.

Project 96-D-464, electrical and utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, \$4,952,000.

Project 96-D-468, residue elimination project, Rocky Flats Plant, Golden, Colorado, \$33,100,000.

Project 96-D-471, chlorofluorocarbon heating, ventilation, and air conditioning and chiller retrofit, Savannah River Site, Aiken, South Carolina, \$1,500,000.

Project 95-D-155, upgrade site road infrastructure, Savannah River Site, South Carolina, \$2,900,000.

Project 95-D-156, radio trunking system, Savannah River Site, South Carolina, \$6,000,000.

Project 95-D-454, 324 facility compliance/renovation, Richland, Washington, \$3,500,000.

Project 95-D-456, security facilities upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, \$8,382,000.

Project 94-D-122, underground storage tanks, Rocky Flats Plant, Golden, Colorado, \$5,000,000.

Project 94-D-401, emergency response facility, Idaho National Engineering Laboratory, Idaho, \$5,074,000.

Project 94-D-412, 300 area process sewer piping upgrade, Richland, Washington, \$1,000,000.

Project 94-D-415, medical facilities, Idaho National Engineering Laboratory, Idaho, \$3,601,000.

Project 94-D-451, infrastructure replacement, Rocky Flats Plant, Golden, Colorado, \$2,940,000.

Project 93-D-147, domestic water system upgrade, Phase I and II, Savannah River Site, Aiken, South Carolina, \$7,130,000.

Project 92-D-123, plant fire/security alarm systems replacement, Rocky Flats Plant, Golden, Colorado, \$9,560,000.

Project 92-D-125, master safeguards and security agreement/materials surveillance task force security upgrades, Rocky Flats Plant, Golden, Colorado, \$7,000,000.

Project 92-D-181, fire and life safety improvements, Idaho National Engineering Laboratory, Idaho, \$6,883,000.

Project 91-D-127, criticality alarm and plant annunciation utility replacement, Rocky Flats Plant, Golden, Colorado, \$2,800,000.

(f) COMPLIANCE AND PROGRAM COORDINATION.—Subject to subsection (h), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for compliance and program coordination in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of \$46,251,000, to be allocated as follows:

(1) For operation and maintenance, \$31,251,000.

(2) For the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of a project authorized in prior years, and land acquisition related thereto):

Project 95-E-600, hazardous materials training center, Richland, Washington, \$15,000,000.

(g) ANALYSIS, EDUCATION, AND RISK MANAGEMENT.—Subject to subsection (h), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for analysis, education, and risk management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of \$78,522,000.

(h) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts specified in subsections (a) through (g) reduced by the sum of—

(1) \$652,334,000, for use of prior year balances; and

(2) \$37,000,000, for Savannah River Pension Refund.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

(a) OTHER DEFENSE ACTIVITIES.—Subject to subsection (b), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for other defense activities in carrying out programs necessary for national security in the amount of \$1,351,975,600, to be allocated as follows:

(1) For verification and control technology, \$428,205,600, to be allocated as follows:

(A) For nonproliferation and verification research and development, \$224,905,000.

(B) For arms control, \$160,964,600.

(C) For intelligence, \$42,336,000.

(2) For nuclear safeguards and security, \$83,395,000.

(3) For security investigations, \$20,000,000.

(4) For security evaluations, \$14,707,000.

(5) For the Office of Nuclear Safety, \$17,679,000.

(6) For worker and community transition assistance, \$82,500,000.

(7) For fissile materials disposition, \$70,000,000.

(8) For emergency management, \$23,321,000.

(9) For naval reactors development, \$682,168,000, to be allocated as follows:

(A) For operation and infrastructure, \$652,568,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), \$29,600,000, to be allocated as follows:

Project GPN-101, general plant projects, various locations, \$6,600,000.

Project 95-D-200, laboratory systems and hot cell upgrades, various locations, \$11,300,000.

Project 95-D-201, advanced test reactor radioactive waste system upgrades, Idaho National Engineering Laboratory, Idaho, \$4,800,000.

Project 93-D-200, engineering services facilities, Knolls Atomic Power Laboratory, Niskayuna, New York, \$3,900,000.

Project 90-N-102, expended core facility dry cell project, Naval Reactors Facility, Idaho, \$3,000,000.

(b) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to this section is the amount authorized to be appropriated in subsection (a) reduced by \$70,000,000, for use of prior year balances.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of \$248,400,000.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) IN GENERAL.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 110 percent of the amount authorized for that program by this title; or

(B) \$1,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) REPORT.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) LIMITATIONS.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.

(a) IN GENERAL.—The Secretary of Energy may carry out any construction project under the general plant projects authorized by this title if the total estimated cost of the construction project does not exceed \$2,000,000.

(b) REPORT TO CONGRESS.—If, at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds \$2,000,000, the Secretary shall immediately furnish a complete report to the congressional defense committees explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, which is authorized by sections 3101, 3102, or 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(b) EXCEPTION.—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than \$5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY; LIMITATIONS.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same period as the authorization to which the amounts are transferred.

(2) Not more than five percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than five percent by a transfer under such paragraph.

(3) The authority provided by this section to transfer authorizations—

(A) may only be used to provide funds for items relating to weapons activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(B) may not be used to provide authority for an item that has been denied funds by Congress.

(c) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committee

on Armed Services of the Senate and the Committee on National Security of the House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) **REQUIREMENT FOR CONCEPTUAL DESIGN.**—(1) Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds \$3,000,000, the Secretary shall submit to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a construction project the total estimated cost of which is less than \$2,000,000; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) **AUTHORITY FOR CONSTRUCTION DESIGN.**—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed \$600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds \$600,000, funds for such design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) **AUTHORITY.**—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this title, including those funds authorized to be appropriated for advance planning and construction design under sections 3101, 3102, and 3103, to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, to meet the needs of national defense, or to protect property.

(b) **LIMITATION.**—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making such activities necessary.

(c) **SPECIFIC AUTHORITY.**—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriations Acts and section 3121, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

When so specified in an appropriation Act, amounts appropriated for operation and maintenance or for plant projects may remain available until expended.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. AUTHORITY TO CONDUCT PROGRAM RELATING TO FISSILE MATERIALS.

(a) **AUTHORITY.**—The Secretary of Energy may conduct programs designed to improve the protection, control, and accountability of fissile materials in Russia.

(b) **SEMI-ANNUAL REPORTS ON OBLIGATION OF FUNDS.**—(1) Not later than 30 days after the date of the enactment of this Act, and thereafter not later than April 1 and October 1 of each year, the Secretary of Energy shall submit to Congress a report on each obligation during the preceding six months of funds appropriated for a program described in subsection (a).

(2) Each such report shall specify—

(A) the activities and forms of assistance for which the Secretary of Energy has obligated funds;

(B) the amount of the obligation;

(C) the activities and forms of assistance for which the Secretary anticipates obligating funds during the six months immediately following the report, and the amount of each such anticipated obligation; and

(D) the projected involvement (if any) of any department or agency of the United States (in addition to the Department of Energy) and of the private sector of the United States in the activities and forms of assistance for which the Secretary of Energy has obligated funds referred to in subparagraph (A).

SEC. 3132. NATIONAL IGNITION FACILITY.

None of the funds authorized to be appropriated pursuant to this title for construction of the National Ignition Facility may be obligated until—

(1) the Secretary of Energy determines that the construction of the National Ignition Facility will not impede the nuclear nonproliferation objectives of the United States; and

(2) the Secretary of Energy notifies the congressional defense committees of that determination.

SEC. 3133. TRITIUM PRODUCTION PROGRAM.

(a) **ESTABLISHMENT OF PROGRAM.**—The Secretary of Energy shall establish a tritium production program that is capable of meeting the tritium requirements of the United States for nuclear weapons. In carrying out the tritium production program, the Secretary shall—

(1) complete the tritium supply and recycling environmental impact statement in preparation by the Secretary as of the date of the enactment of this Act; and

(2) assess alternative means for tritium production, including production through—

(A) types of new and existing reactors, including multipurpose reactors (such as advanced light water reactors and gas turbine gas-cooled reactors) capable of meeting both the tritium production requirements and the plutonium disposition requirements of the United States for nuclear weapons;

(B) an accelerator; and

(C) multipurpose reactor projects carried out by the private sector and the Government.

(b) **FUNDING.**—Of funds authorized to be appropriated to the Department of Energy pursuant to section 3101, not more than \$50,000,000 shall be available for the tritium production program established pursuant to subsection (a).

(c) **LOCATION OF TRITIUM PRODUCTION FACILITY.**—The Secretary shall locate any new tritium production facility of the Department of Energy at the Savannah River Site, South Carolina.

(d) **COST-BENEFIT ANALYSIS.**—(1) The Secretary shall include in the statements referred to in paragraph (2) a comparison of the costs and benefits of carrying out two

projects for the separate performance of the tritium production mission of the Department and the plutonium disposition mission of the Department with the costs and benefits of carrying out one multipurpose project for the performance of both such missions.

(2) The statements referred to in paragraph (1) are—

(A) the environmental impact statement referred to in subsection (a)(1);

(B) the plutonium disposition environmental impact statement in preparation by the Secretary as of the date of the enactment of this Act; and

(C) assessments related to the environmental impact statements referred to in subparagraphs (A) and (B).

(e) **REPORT.**—Not later than 45 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the tritium production program established pursuant to subsection (a). The report shall include a specification of—

(1) the planned expenditures of the Department during fiscal year 1996 for any of the alternative means for tritium production assessed under subsection (a)(2);

(2) the amount of funds required to be expended by the Department, and the program milestones (including feasibility demonstrations) required to be met, during fiscal years 1997 through 2001 to ensure tritium production beginning not later than 2005 that is adequate to meet the tritium requirements of the United States for nuclear weapons; and

(3) the amount of such funds to be expended and such program milestones to be met during such fiscal years to ensure such tritium production beginning not later than 2011.

(f) **TRITIUM TARGETS.**—Of the funds made available pursuant to subsection (b), not more than \$5,000,000 shall be available for the Idaho National Engineering Laboratory for the test and development of nuclear reactor tritium targets for the types of reactors assessed under subsection (a)(2)(A).

SEC. 3134. PAYMENT OF PENALTIES.

The Secretary of Energy may pay to the Hazardous Substance Superfund established under section 9507 of the Internal Revenue Code of 1986 (26 U.S.C. 9507), from funds appropriated to the Department of Energy for environmental restoration and waste management activities pursuant to section 3102, stipulated civil penalties in the amount of \$350,000 assessed under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) against the Rocky Flats Site, Colorado.

SEC. 3135. FISSILE MATERIALS DISPOSITION.

(a) **IN GENERAL.**—Of the funds authorized to be appropriated to the Department of Energy for fiscal year 1996 pursuant to section 3103, \$70,000,000 shall be available only for purposes of completing the evaluation of, and commencing implementation of, the interim- and long-term storage and disposition (including storage and disposition through the use of advanced light water reactors and gas turbine gas-cooled reactors) of fissile materials (including plutonium, highly enriched uranium, and other fissile materials) that are excess to the national security needs of the United States.

(b) **AVAILABILITY OF FUNDS FOR MULTIPURPOSE REACTORS.**—Of funds made available pursuant to subsection (a), sufficient funds shall be made available for the complete consideration of multipurpose reactors for the disposition of fissile materials in the programmatic environmental impact statement of the Department.

(c) **LIMITATION.**—Of funds made available pursuant to subsection (a), \$10,000,000 shall

be available only for a plutonium resource assessment.

SEC. 3136. TRITIUM RECYCLING.

(a) IN GENERAL.—Except as provided in subsection (b), the following activities shall be carried out at the Savannah River Site, South Carolina:

(1) All tritium recycling for weapons, including tritium refitting.

(2) All activities regarding tritium formerly carried out at the Mound Plant, Ohio.

(b) EXCEPTION.—The following activities may be carried out at the Los Alamos National Laboratory, New Mexico:

(1) Research on tritium.

(2) Work on tritium in support of the defense inertial confinement fusion program.

(3) Provision of technical assistance to the Savannah River Site regarding the weapons surveillance program.

SEC. 3137. MANUFACTURING INFRASTRUCTURE FOR REFABRICATION AND CERTIFICATION OF NUCLEAR WEAPONS STOCKPILE.

(a) MANUFACTURING PROGRAM.—The Secretary of Energy shall carry out a program for purposes of establishing within the Government a manufacturing infrastructure that has the capabilities of meeting the following objectives as specified in the Nuclear Posture Review:

(1) To provide a stockpile surveillance engineering base.

(2) To refabricate and certify weapon components and types in the enduring nuclear weapons stockpile, as necessary.

(3) To fabricate and certify new nuclear warheads, as necessary.

(4) To support nuclear weapons.

(5) To supply sufficient tritium in support of nuclear weapons to ensure an upload hedge in the event circumstances require.

(b) REQUIRED CAPABILITIES.—The manufacturing infrastructure established under the program under subsection (a) shall include the following capabilities (modernized to attain the objectives referred to in that subsection):

(1) The weapons assembly capabilities of the Pantex Plant.

(2) The weapon secondary fabrication capabilities of the Y-12 Plant, Oak Ridge, Tennessee.

(3) The tritium production, recycling, and other weapons-related capabilities of the Savannah River Site.

(4) The non-nuclear component capabilities of the Kansas City Plant.

(c) NUCLEAR POSTURE REVIEW.—For purposes of subsection (a), the term "Nuclear Posture Review" means the Department of Defense Nuclear Posture Review as contained in the Report of the Secretary of Defense to the President and the Congress dated February 19, 1995, or subsequent such reports.

(d) FUNDING.—Of the funds authorized to be appropriated under section 3101(b), \$143,000,000 shall be available for carrying out the program required under this section, of which—

(1) \$35,000,000 shall be available for activities at the Pantex Plant;

(2) \$30,000,000 shall be available for activities at the Y-12 Plant, Oak Ridge, Tennessee;

(3) \$35,000,000 shall be available for activities at the Savannah River Site; and

(4) \$43,000,000 shall be available for activities at the Kansas City Plant.

(e) PLAN AND REPORT.—The Secretary shall develop a plan for the implementation of this section. Not later than March 1, 1996, the Secretary shall submit to Congress a report on the obligations the Secretary has incurred, and plans to incur, during fiscal year 1996 for the program referred to in subsection (a).

SEC. 3138. HYDRONUCLEAR EXPERIMENTS.

Of the funds authorized to be appropriated to the Department of Energy pursuant to section 3101, \$30,000,000 shall be available to prepare for the commencement of a program of hydronuclear experiments at the nuclear weapons design laboratories at the Nevada Test Site, Nevada. The purpose of the program shall be to maintain confidence in the reliability and safety of the nuclear weapons stockpile.

SEC. 3139. LIMITATION ON AUTHORITY TO CONDUCT HYDRONUCLEAR TESTS.

Nothing in this Act may be construed to authorize the conduct of hydronuclear tests or to amend or repeal the requirements of section 507 of the Energy and Water Development Appropriations Act, 1993 (Public Law 102-377; 106 Stat. 1343; 42 U.S.C. 2121 note).

SEC. 3140. FELLOWSHIP PROGRAM FOR DEVELOPMENT OF SKILLS CRITICAL TO THE DEPARTMENT OF ENERGY NUCLEAR WEAPONS COMPLEX.

(a) IN GENERAL.—The Secretary of Energy shall conduct a fellowship program for the development of skills critical to the ongoing mission of the Department of Energy nuclear weapons complex. Under the fellowship program, the Secretary shall—

(1) provide educational assistance and research assistance to eligible individuals to facilitate the development by such individuals of skills critical to maintaining the ongoing mission of the Department of Energy nuclear weapons complex;

(2) employ eligible individuals at the facilities described in subsection (c) in order to facilitate the development of such skills by these individuals; or

(3) provide eligible individuals with the assistance and the employment.

(b) ELIGIBLE INDIVIDUALS.—Individuals eligible for participation in the fellowship program are the following:

(1) Students pursuing graduate degrees in fields of science or engineering that are related to nuclear weapons engineering or to the science and technology base of the Department of Energy.

(2) Individuals engaged in postdoctoral studies in such fields.

(c) COVERED FACILITIES.—The Secretary shall carry out the fellowship program at or in connection with the following facilities:

(1) The Kansas City Plant, Kansas City, Missouri.

(2) The Pantex Plant, Amarillo, Texas.

(3) The Y-12 Plant, Oak Ridge, Tennessee.

(4) The Savannah River Site, Aiken, South Carolina.

(d) ADMINISTRATION.—The Secretary shall carry out the fellowship program at a facility referred to in subsection (c) through the stockpile manager of the facility.

(e) ALLOCATION OF FUNDS.—The Secretary shall, in consultation with the Assistant Secretary of Energy for Defense Programs, allocate funds available for the fellowship program under subsection (f) among the facilities referred to in subsection (c). The Secretary shall make the allocation after evaluating an assessment by the weapons program director of each such facility of the personnel and critical skills necessary at the facility for carrying out the ongoing mission of the facility.

(f) FUNDING.—Of the funds authorized to be appropriated to the Department of Energy for fiscal year 1996 under section 3101(b), \$10,000,000 may be used for the purpose of carrying out the fellowship program under this section.

SEC. 3141. LIMITATION ON USE OF FUNDS FOR CERTAIN RESEARCH AND DEVELOPMENT PURPOSES.

Funds appropriated or otherwise made available to the Department of Energy for fiscal year 1996 under section 3101 may be obligated and expended for activities under the

Department of Energy Laboratory Directed Research and Development Program or under Department of Energy technology transfer programs only if such activities support the national security mission of the Department.

SEC. 3142. PROCESSING AND TREATMENT OF HIGH-LEVEL NUCLEAR WASTE AND SPENT NUCLEAR FUEL RODS.

(a) PROCESSING OF SPENT NUCLEAR FUEL RODS.—Of the amounts appropriated pursuant to section 3102, there shall be available to the Secretary of Energy to respond effectively to new requirements for managing spent nuclear fuel—

(1) not more than \$30,000,000, for the Savannah River Site for the development and implementation of a program for the processing, reprocessing, separation, reduction, isolation, and interim storage of high-level nuclear waste associated with aluminum clad spent fuel rods and foreign spent fuel rods; and

(2) not more than \$15,000,000, for the Idaho National Engineering Laboratory for the development and implementation of a program for the treatment, preparation, and conditioning of high-level nuclear waste and spent nuclear fuel (including naval spent nuclear fuel), nonaluminum clad fuel rods, and foreign fuel rods for interim storage and final disposition.

(b) IMPLEMENTATION PLAN.—Not later than April 30, 1996, the Secretary shall submit to Congress a five-year plan for the implementation of the programs referred to in subsection (a). The plan shall include—

(1) an assessment of the facilities required to be constructed or upgraded to carry out the processing, separation, reduction, isolation and interim storage of high-level nuclear waste;

(2) a description of the technologies, including stabilization technologies, that are required to be developed for the efficient conduct of the programs;

(3) a projection of the dates upon which activities under the programs are sufficiently completed to provide for the transfers of such waste to permanent repositories; and

(4) a projection of the total cost to complete the programs.

(c) ELECTROMETALLURGICAL WASTE TREATMENT TECHNOLOGIES.—Of the amount appropriated pursuant to section 3102(c), not more than \$25,000,000 shall be available for development of electrometallurgical waste treatment technologies at the Argonne National Laboratory.

(d) USE OF FUNDS FOR SETTLEMENT AGREEMENT.—Funds made available pursuant to subsection (a)(2) for the Idaho National Engineering Laboratory shall be considered to be funds made available in partial fulfillment of the terms and obligations set forth in the settlement agreement entered into by the United States with the State of Idaho in the actions captioned Public Service Co. of Colorado v. Batt, Civil No. 91-0035-S-EJL, and United States v. Batt, Civil No. 91-0054-S-EJL, in the United States District Court for the District of Idaho and the consent order of the United States District Court for the District of Idaho, dated October 17, 1995, that effectuates the settlement agreement.

SEC. 3143. PROTECTION OF WORKERS AT NUCLEAR WEAPONS FACILITIES.

Of the funds authorized to be appropriated to the Department of Energy under section 3102, \$10,000,000 shall be available to carry out activities authorized under section 3131 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190; 105 Stat. 1571; 42 U.S.C. 7274d), relating to worker protection at nuclear weapons facilities.

SEC. 3144. DEPARTMENT OF ENERGY DECLASSIFICATION PRODUCTIVITY INITIATIVE.

Of the funds authorized to be appropriated to the Department of Energy under section 3103, \$3,000,000 shall be available for the Declassification Productivity Initiative of the Department of Energy.

Subtitle D—Other Matters

SEC. 3151. REPORT ON FOREIGN TRITIUM PURCHASES.

(a) REPORT.—Not later than May 1, 1996, the President shall submit to the congressional defense committees a report on the feasibility of, the cost of, and the policy, legal, and other issues associated with purchasing tritium from various foreign suppliers in order to ensure an adequate supply of tritium in the United States for nuclear weapons.

(b) FORM OF REPORT.—The report shall be submitted in unclassified form, but may contain a classified appendix.

SEC. 3152. STUDY ON NUCLEAR TEST READINESS POSTURES.

Not later than February 15, 1996, the Secretary of Energy shall submit to Congress a report on the costs, programmatic issues, and other issues associated with sustaining the capability of the Department of Energy—

(1) to conduct an underground nuclear test 6 months after the date on which the President determines that such a test is necessary to ensure the national security of the United States;

(2) to conduct such a test 18 months after such date; and

(3) to conduct such a test 36 months after such date.

SEC. 3153. MASTER PLAN FOR THE CERTIFICATION, STEWARDSHIP, AND MANAGEMENT OF WARHEADS IN THE NUCLEAR WEAPONS STOCKPILE.

(a) MASTER PLAN REQUIREMENT.—Not later than March 15, 1996, the President shall submit to Congress a master plan for maintaining the nuclear weapons stockpile. The President shall submit to Congress an update of the master plan not later than March 15 of each year thereafter.

(b) PLAN ELEMENTS.—The master plan and each update of the master plan shall set forth the following:

(1) The numbers of weapons (including active and inactive weapons) for each type of weapon in the nuclear weapons stockpile.

(2) The expected design lifetime of each weapon type, the current age of each weapon type, and any plans (including the analytical basis for such plans) for lifetime extensions of a weapon type.

(3) An estimate of the lifetime of the nuclear and nonnuclear components of the weapons (including active weapons and inactive weapons) in the nuclear weapons stockpile, and any plans (including the analytical basis for such plans) for lifetime extensions of such components.

(4) A schedule of the modifications, if any, required for each weapon type (including active and inactive weapons) in the nuclear weapons stockpile and the cost of such modifications.

(5) The process to be used in recertifying the safety, reliability, and performance of each weapon type (including active weapons and inactive weapons) in the nuclear weapons stockpile.

(6) The manufacturing infrastructure required to maintain the nuclear weapons stockpile stewardship and management programs, including a detailed project plan that demonstrates the manner by which the Government will develop by 2002 the capability to refabricate and certify warheads in the nuclear weapons stockpile and to design, fabricate, and certify new warheads.

(c) FORM OF PLAN.—The master plan and each update of the master plan shall be sub-

mitted in unclassified form, but may contain a classified appendix.

SEC. 3154. PROHIBITION ON INTERNATIONAL INSPECTIONS OF DEPARTMENT OF ENERGY FACILITIES UNLESS PROTECTION OF RESTRICTED DATA IS CERTIFIED.

(a) PROHIBITION ON INSPECTIONS.—(1) The Secretary of Energy may not allow an inspection of a nuclear weapons facility by the International Atomic Energy Agency until the Secretary certifies to Congress that no restricted data will be revealed during such inspection.

(2) For purposes of paragraph (1), the term “restricted data” has the meaning provided by section 11 y. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(y)).

(b) EXTENSION OF NOTICE-AND-WAIT REQUIREMENT REGARDING PROPOSED COOPERATION AGREEMENTS.—Section 3155(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. 3092) is amended by striking out “December 31, 1995” and inserting in lieu thereof “October 1, 1996”.

SEC. 3155. REVIEW OF CERTAIN DOCUMENTS BEFORE DECLASSIFICATION AND RELEASE.

(a) IN GENERAL.—The Secretary of Energy shall ensure that, before a document of the Department of Energy that contains national security information is released or declassified, such document is reviewed to determine whether it contains restricted data.

(b) LIMITATION ON DECLASSIFICATION.—The Secretary may not implement the automatic declassification provisions of Executive Order 12958 if the Secretary determines that such implementation could result in the automatic declassification and release of documents containing restricted data.

(c) RESTRICTED DATA DEFINED.—In this section, the term “restricted data” has the meaning provided by section 11 y. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(y)).

SEC. 3156. ACCELERATED SCHEDULE FOR ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT ACTIVITIES.

(a) ACCELERATED CLEANUP.—The Secretary of Energy shall accelerate the schedule for environmental restoration and waste management activities and projects for a site at a Department of Energy defense nuclear facility if the Secretary determines that such an accelerated schedule will achieve meaningful, long-term cost savings to the Federal Government and could substantially accelerate the release of land for local reuse.

(b) CONSIDERATION OF FACTORS.—In making a determination under subsection (a), the Secretary shall consider the following:

(1) The cost savings achievable by the Federal Government.

(2) The amount of time for completion of environmental restoration and waste management activities and projects at the site that can be reduced from the time specified for completion of such activities and projects in the baseline environmental management report required to be submitted for 1995 under section 3153 of the National Defense Authorization Act for Fiscal Year 1994 (42 U.S.C. 7274k).

(3) The potential for reuse of the site.

(4) The risks that the site poses to local health and safety.

(5) The proximity of the site to populated areas.

(c) REPORT.—Not later than May 1, 1996, the Secretary shall submit to Congress a report on each site for which the Secretary has accelerated the schedule for environmental restoration and waste management activities and projects under subsection (a). The report shall include an explanation of the basis for the determination for that site required by such subsection, including an explanation of the consideration of the factors described in subsection (b).

(d) SAVINGS PROVISION.—Nothing in this section may be construed to affect a specific statutory requirement for a specific environmental restoration or waste management activity or project or to modify or otherwise affect applicable statutory or regulatory environmental restoration and waste management requirements, including substantive standards intended to protect public health and the environment.

SEC. 3157. SENSE OF CONGRESS REGARDING CERTAIN ENVIRONMENTAL RESTORATION REQUIREMENTS.

It is the sense of Congress that—

(1) an individual acting within the scope of that individual's employment with a Federal agency should not be personally subject to civil or criminal sanctions (to the extent such sanctions are provided for by law) as a result of the failure to comply with an environmental cleanup requirement under the Solid Waste Disposal Act or the Comprehensive Environmental Response, Compensation, and Liability Act or an analogous requirement under a comparable Federal, State, or local law, in any circumstance under which such failure to comply is due to an insufficiency of funds appropriated to carry out such requirement;

(2) Federal and State enforcement authorities should refrain from an enforcement action in a circumstance described in paragraph (1); and

(3) if funds appropriated for a fiscal year after fiscal year 1995 are insufficient to carry out any such environmental cleanup requirement, Congress should elicit the views of Federal agencies, affected States, and the public, and consider appropriate legislative action to address personal criminal liability in a circumstance described in paragraph (1) and any related issues pertaining to potential liability of a Federal agency.

SEC. 3158. RESPONSIBILITY FOR DEFENSE PROGRAMS EMERGENCY RESPONSE PROGRAM.

The Office of Military Applications under the Assistant Secretary of Energy for Defense Programs shall retain responsibility for the Defense Programs Emergency Response Program within the Department of Energy.

SEC. 3159. REQUIREMENTS FOR DEPARTMENT OF ENERGY WEAPONS ACTIVITIES BUDGETS FOR FISCAL YEARS AFTER FISCAL YEAR 1996.

(a) IN GENERAL.—The weapons activities budget of the Department of Energy shall be developed in accordance with the Nuclear Posture Review, the Post Nuclear Posture Review Stockpile Memorandum currently under development, and the programmatic and technical requirements associated with the review and memorandum.

(b) REQUIRED DETAIL.—The Secretary of Energy shall include in the materials that the Secretary submits to Congress in support of the budget for a fiscal year submitted by the President pursuant to section 1105 of title 31, United States Code, a long-term program plan, and a near-term program plan, for the certification and stewardship of the nuclear weapons stockpile.

(c) DEFINITION.—In this section, the term “Nuclear Posture Review” means the Department of Defense Nuclear Posture Review as contained in the report of the Secretary of Defense to the President and the Congress dated February 19, 1995, or in subsequent such reports.

SEC. 3160. REPORT ON HYDRONUCLEAR TESTING.

(a) REPORT.—The Secretary of Energy shall direct the joint preparation by the Directors of the Lawrence Livermore National Laboratory and the Los Alamos National Laboratory of a report on the advantages and disadvantages with respect to the safety and reliability of the nuclear weapons stockpile of

permitting alternative limits to the current limit on the explosive yield of hydronuclear and other explosive tests. The report shall address the following explosive yield limits:

- (1) 4 pounds (TNT equivalent).
- (2) 400 pounds (TNT equivalent).
- (3) 4,000 pounds (TNT equivalent).
- (4) 40,000 pounds (TNT equivalent).
- (5) 400 tons (TNT equivalent).

(b) FUNDING.—The Secretary shall make available funds appropriated to the Department of Energy pursuant to section 3101 for preparation of the report required under subsection (a).

SEC. 3161. APPLICABILITY OF ATOMIC ENERGY COMMUNITY ACT OF 1955 TO LOS ALAMOS, NEW MEXICO.

(a) DATE OF TRANSFER OF UTILITIES.—Section 72 of the Atomic Energy Community Act of 1955 (42 U.S.C. 2372) is amended by striking out “not later than five years after the date it is included within this Act” and inserting in lieu thereof “not later than June 30, 1998”.

(b) DATE OF TRANSFER OF MUNICIPAL INSTALLATIONS.—Section 83 of such Act (42 U.S.C. 2383) is amended by striking out “not later than five years after the date it is included within this Act” and inserting in lieu thereof “not later than June 30, 1998”.

(c) RECOMMENDATION FOR FURTHER ASSISTANCE PAYMENTS.—Section 91d. of such Act (42 U.S.C. 2391) is amended—

(1) by striking out “, and the Los Alamos School Board;” and all that follows through “county of Los Alamos, New Mexico” and inserting in lieu thereof “; or not later than June 30, 1996, in the case of the Los Alamos School Board and the county of Los Alamos, New Mexico”; and

(2) by adding at the end the following new sentence: “If the recommendation under the preceding sentence regarding the Los Alamos School Board or the county of Los Alamos, New Mexico, indicates a need for further assistance for the school board or the county, as the case may be, after June 30, 1997, the recommendation shall include a report and plan describing the actions required to eliminate the need for further assistance for the school board or the county, including a proposal for legislative action to carry out the plan.”.

(d) CONTRACT TO MAKE PAYMENTS.—Section 94 of such Act (42 U.S.C. 2394) is amended—

(1) by striking out “June 30, 1996” each place it appears in the proviso in the first sentence and inserting in lieu thereof “June 30, 1997”; and

(2) by striking out “July 1, 1996” in the second sentence and inserting in lieu thereof “July 1, 1997”.

SEC. 3162. SENSE OF CONGRESS REGARDING SHIPMENTS OF SPENT NUCLEAR FUEL.

(a) FINDINGS.—Congress makes the following findings:

(1) The United States has entered into a settlement agreement with the State of Idaho in the actions captioned Public Service Co. of Colorado v. Batt, Civil No. 91-0035-S-EJL, and United States v. Batt, Civil No. 91-0054-S-EJL, in the United States District Court for the District of Idaho, regarding shipment of naval spent nuclear fuel to Idaho, examination and storage of such fuel in Idaho, and other matters.

(2) Under this court enforceable agreement—

(A) the State of Idaho has agreed—

(i) to accept 575 shipments of naval spent nuclear fuel from the Navy into Idaho between October 17, 1995 and 2035;

(ii) to accept certain shipments of spent nuclear fuel from the Department of Energy into Idaho between October 17, 1995 and 2035; and

(iii) to allow the Navy and the Department of Energy, on an interim basis, to store the spent nuclear fuel in Idaho over the next 40 years; and

(B) the United States has made commitments—

(i) to remove all spent nuclear fuel (except certain quantities for testing) from Idaho by 2035; and

(ii) to facilitate the cleanup and stabilization of radioactive waste at the Idaho National Engineering Laboratory.

(3) The settlement agreement allows the Department of Energy and the Department of the Navy to meet responsibilities that are important to the national security interests of the United States.

(4) Authorizations and appropriations of funds will be necessary in order to provide for fulfillment of the terms and obligations set forth in the settlement agreement.

(b) SENSE OF CONGRESS.—(1) Congress recognizes the need to implement the terms, conditions, rights, and obligations contained in the settlement agreement referred to in subsection (a)(1) and the consent order of the United States District Court for the District of Idaho, dated October 17, 1995, that effectuates the settlement agreement in accordance with those terms, conditions, rights, and obligations.

(2) It is the sense of Congress that funds requested by the President to carry out the settlement agreement and such consent order should be appropriated for that purpose.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 1996, \$17,000,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

Subtitle A—Authorization of Disposals and Use of Funds

SEC. 3301. DEFINITIONS.

For purposes of this subtitle:

(1) The term “National Defense Stockpile” means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

(2) The term “National Defense Stockpile Transaction Fund” means the fund in the Treasury of the United States established under section 9(a) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(a)).

SEC. 3302. AUTHORIZED USES OF STOCKPILE FUNDS.

(a) OBLIGATION OF STOCKPILE FUNDS.—During fiscal year 1996, the National Defense Stockpile Manager may obligate up to \$77,100,000 of the funds in the National Defense Stockpile Transaction Fund for the authorized uses of such funds under section 9(b)(2) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(b)(2)).

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3303. DISPOSAL OF CHROMITE AND MANGANESE ORES AND CHROMIUM FERRO AND MANGANESE METAL ELECTROLYTIC.

(a) DOMESTIC UPGRADING.—In offering to enter into agreements pursuant to any provision of law for the disposal from the National Defense Stockpile of chromite and manganese ores or chromium ferro and manganese metal electrolytic, the President shall give a right of first refusal on all such offers to domestic ferroalloy upgraders.

(b) DOMESTIC FERROALLOY UPGRADER DEFINED.—For purposes of this section, the term “domestic ferroalloy upgrader” means a company or other business entity that, as determined by the President—

(1) is engaged in operations to upgrade chromite or manganese ores of metallurgical grade or chromium ferro and manganese metal electrolytic; and

(2) conducts a significant level of its research, development, engineering, and upgrading operations in the United States.

SEC. 3304. RESTRICTIONS ON DISPOSAL OF MANGANESE FERRO.

(a) DISPOSAL OF LOWER GRADE MATERIAL FIRST.—The President may not dispose of high carbon manganese ferro in the National Defense Stockpile that meets the National Defense Stockpile classification of Grade One, Specification 30(a), as revised on May 22, 1992, until completing the disposal of all manganese ferro in the National Defense Stockpile that does not meet such classification. The President may not reclassify manganese ferro in the National Defense Stockpile after the date of the enactment of this Act.

(b) REQUIREMENT FOR REMELTING BY DOMESTIC FERROALLOY PRODUCERS.—Manganese ferro in the National Defense Stockpile that does not meet the classification specified in subsection (a) may be sold only for remelting by a domestic ferroalloy producer unless the President determines that a domestic ferroalloy producer is not available to acquire the material.

(c) DOMESTIC FERROALLOY PRODUCER DEFINED.—For purposes of this section, the term “domestic ferroalloy producer” means a company or other business entity that, as determined by the President—

(1) is engaged in operations to upgrade manganese ores of metallurgical grade or manganese ferro; and

(2) conducts a significant level of its research, development, engineering, and upgrading operations in the United States.

SEC. 3305. TITANIUM INITIATIVE TO SUPPORT BATTLE TANK UPGRADE PROGRAM.

During each of the fiscal years 1996 through 2003, the Secretary of Defense shall transfer from stocks of the National Defense Stockpile up to 250 short tons of titanium sponge to the Secretary of the Army for use in the weight reduction portion of the main battle tank upgrade program. Transfers under this section shall be without charge to the Army, except that the Secretary of the Army shall pay all transportation and related costs incurred in connection with the transfer.

Subtitle B—Programmatic Change

SEC. 3311. TRANSFER OF EXCESS DEFENSE-RELATED MATERIALS TO STOCKPILE FOR DISPOSAL.

(a) TRANSFER AND DISPOSAL.—Section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c) is amended by adding at the end the following new subsection:

“(c)(1) The Secretary of Energy, in consultation with the Secretary of Defense, shall transfer to the stockpile for disposal in accordance with this Act uncontaminated materials that are in the Department of Energy inventory of materials for the production of defense-related items, are excess to

the requirements of the Department for that purpose, and are suitable for transfer to the stockpile and disposal through the stockpile.

"(2) The Secretary of Defense shall determine whether materials are suitable for transfer to the stockpile under this subsection, are suitable for disposal through the stockpile, and are uncontaminated."

(b) CONFORMING AMENDMENT.—Subsection (a) of such section is amended by adding at the end the following:

"(10) Materials transferred to the stockpile under subsection (c)."

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Subtitle A—Administration of Naval Petroleum Reserves

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated to the Secretary of Energy \$148,786,000 for fiscal year 1996 for the purpose of carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves (as defined in section 7420(2) of such title). Funds appropriated pursuant to such authorization shall remain available until expended. Of the amount appropriated pursuant to the authorization of appropriations in the preceding sentence, the Secretary may use not more than \$7,000,000 for carrying out activities related to the sale of Naval Petroleum Reserve Numbered 1 under section 3412.

SEC. 3402. PRICE REQUIREMENT ON SALE OF CERTAIN PETROLEUM DURING FISCAL YEAR 1996.

Notwithstanding section 7430(b)(2) of title 10, United States Code, during fiscal year 1996, any sale of any part of the United States share of petroleum produced from Naval Petroleum Reserves Numbered 1, 2, and 3 shall be made at a price not less than 90 percent of the current sales price, as estimated by the Secretary of Energy, of comparable petroleum in the same area.

SEC. 3403. EXTENSION OF OPERATING CONTRACT FOR NAVAL PETROLEUM RESERVE NUMBERED 1.

Section 3503 of the National Defense Authorization Act of Fiscal Year 1995 (Public Law 103-337; 108 Stat. 3111) is amended by striking out "two years" in the first sentence and inserting in lieu thereof "three years".

Subtitle B—Sale of Naval Petroleum Reserve

SEC. 3411. DEFINITIONS.

For purposes of this subtitle:

(1) The terms "Naval Petroleum Reserve Numbered 1" and "reserve" mean Naval Petroleum Reserve Numbered 1, commonly referred to as the Elk Hills Unit, located in Kern County, California, and established by Executive order of the President, dated September 2, 1912.

(2) The term "naval petroleum reserves" has the meaning given that term in section 7420(2) of title 10, United States Code, except that the term does not include Naval Petroleum Reserve Numbered 1.

(3) The term "unit plan contract" means the unit plan contract between equity owners of the lands within the boundaries of Naval Petroleum Reserve Numbered 1 entered into on June 19, 1944.

(4) The term "effective date" means the date of the enactment of this Act.

(5) The term "Secretary" means the Secretary of Energy.

(6) The term "appropriate congressional committees" means the Committee on Armed Services of the Senate and the Committee on National Security and the Committee on Commerce of the House of Representatives.

SEC. 3412. SALE OF NAVAL PETROLEUM RESERVE NUMBERED 1.

(a) SALE OF RESERVE REQUIRED.—Subject to section 3414, not later than two years

after the effective date, the Secretary of Energy shall enter into one or more contracts for the sale of all right, title, and interest of the United States in and to all lands owned or controlled by the United States inside Naval Petroleum Reserve Numbered 1. Chapter 641 of title 10, United States Code, shall not apply to the sale of the reserve.

(b) EQUITY FINALIZATION.—(1) Not later than eight months after the effective date, the Secretary shall finalize equity interests of the known oil and gas zones in Naval Petroleum Reserve Numbered 1 in the manner provided by this subsection.

(2) The Secretary shall retain the services of an independent petroleum engineer, mutually acceptable to the equity owners, who shall prepare a recommendation on final equity figures. The Secretary may accept the recommendation of the independent petroleum engineer for final equity in each known oil and gas zone and establish final equity interest in Naval Petroleum Reserve Numbered 1 in accordance with the recommendation, or the Secretary may use such other method to establish final equity interest in the reserve as the Secretary considers appropriate.

(3) If, on the effective date, there is an ongoing equity redetermination dispute between the equity owners under section 9(b) of the unit plan contract, the dispute shall be resolved in the manner provided in the unit plan contract within eight months after the effective date. The resolution shall be considered final for all purposes under this section.

(c) NOTICE OF SALE.—Not later than two months after the effective date, the Secretary shall publish a notice of intent to sell Naval Petroleum Reserve Numbered 1. The Secretary shall make all technical, geological, and financial information relevant to the sale of the reserve available to all interested and qualified buyers upon request. The Secretary, in consultation with the Administrator of General Services, shall ensure that the sale process is fair and open to all interested and qualified parties.

(d) ESTABLISHMENT OF MINIMUM SALE PRICE.—(1) Not later than seven months after the effective date, the Secretary shall retain the services of five independent experts in the valuation of oil and gas fields to conduct separate assessments, in a manner consistent with commercial practices, of the value of the interest of the United States in Naval Petroleum Reserve Numbered 1. The independent experts shall complete their assessments within 11 months after the effective date. In making their assessments, the independent experts shall consider (among other factors)—

(A) all equipment and facilities to be included in the sale;

(B) the estimated quantity of petroleum and natural gas in the reserve; and

(C) the net present value of the anticipated revenue stream that the Secretary and the Director of the Office of Management and Budget jointly determine the Treasury would receive from the reserve if the reserve were not sold, adjusted for any anticipated increases in tax revenues that would result if the reserve were sold.

(2) The independent experts retained under paragraph (1) shall also determine and submit to the Secretary the estimated total amount of the cost of any environmental restoration and remediation necessary at the reserve. The Secretary shall report the estimate to the Director of the Office of Management and Budget, the Secretary of the Treasury, and Congress.

(3) The Secretary, in consultation with the Director of the Office of Management and Budget, shall set the minimum acceptable price for the reserve. The Secretary may not set the minimum acceptable price below the higher of—

(A) the average of the five assessments prepared under paragraph (1); and

(B) the average of three assessments after excluding the high and low assessments.

(e) ADMINISTRATION OF SALE; DRAFT CONTRACT.—(1) Not later than two months after the effective date, the Secretary shall retain the services of an investment banker or an appropriate equivalent financial adviser to independently administer, in a manner consistent with commercial practices and in a manner that maximizes sale proceeds to the Government, the sale of Naval Petroleum Reserve Numbered 1 under this section. Costs and fees of retaining the investment banker or financial adviser may be paid out of the proceeds of the sale of the reserve.

(2) Not later than 11 months after the effective date, the investment banker or financial adviser retained under paragraph (1) shall complete a draft contract or contracts for the sale of Naval Petroleum Reserve Numbered 1, which shall accompany the solicitation of offers and describe the terms and provisions of the sale of the interest of the United States in the reserve.

(3) The draft contract or contracts shall identify—

(A) all equipment and facilities to be included in the sale; and

(B) any potential claim or liability (including liability for environmental restoration and remediation), and the extent of any such claim or liability, for which the United States is responsible under subsection (g).

(4) The draft contract or contracts, including the terms and provisions of the sale of the interest of the United States in the reserve, shall be subject to review and approval by the Secretary, the Secretary of the Treasury, and the Director of the Office of Management and Budget. Each of those officials shall complete the review of, and approve or disapprove, the draft contract or contracts not later than 12 months after the effective date.

(f) SOLICITATION OF OFFERS.—(1) Not later than 13 months after the effective date, the Secretary shall publish the solicitation of offers for Naval Petroleum Reserve Numbered 1.

(2) Not later than 18 months after the effective date, the Secretary shall identify the highest responsible offer or offers for purchase of the interest of the United States in Naval Petroleum Reserve Numbered 1 that, in total, meet or exceed the minimum acceptable price determined under subsection (d)(3).

(3) The Secretary shall take such action immediately after the effective date as is necessary to obtain from an independent petroleum engineer within 10 months after that date a reserve report prepared in a manner consistent with commercial practices. The Secretary shall use the reserve report in support of the preparation of the solicitation of offers for the reserve.

(g) FUTURE LIABILITIES.—To effectuate the sale of the interest of the United States in Naval Petroleum Reserve Numbered 1, the Secretary may extend such indemnities and warranties as the Secretary considers reasonable and necessary to protect the purchaser from claims arising from the ownership in the reserve by the United States.

(h) MAINTAINING PRODUCTION.—Until the sale of Naval Petroleum Reserve Numbered 1 is completed under this section, the Secretary shall continue to produce the reserve at the maximum daily oil or gas rate from a reservoir, which will permit maximum economic development of the reservoir consistent with sound oil field engineering practices in accordance with section 3 of the unit plan contract.

(i) NONCOMPLIANCE WITH DEADLINES.—At any time during the two-year period beginning on the effective date, if the Secretary

determines that the actions necessary to complete the sale of the reserve within that period are not being taken or timely completed, the Secretary shall transmit to the appropriate congressional committees a written notification of that determination together with a plan setting forth the actions that will be taken to ensure that the sale of the reserve will be completed within that period. The Secretary shall consult with the Director of the Office of Management and Budget in preparing the plan for submission to the committees.

(j) **OVERSIGHT.**—The Comptroller General shall monitor the actions of the Secretary relating to the sale of the reserve and report to the appropriate congressional committees any findings on such actions that the Comptroller General considers appropriate to report to the committees.

(k) **ACQUISITION OF SERVICES.**—The Secretary may enter into contracts for the acquisition of services required under this section under the authority of paragraph (7) of section 303(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)), except that the notification required under subparagraph (B) of such paragraph for each contract shall be submitted to Congress not less than 7 days before the award of the contract.

SEC. 3413. EFFECT OF SALE OF RESERVE.

(a) **EFFECT ON EXISTING CONTRACTS.**—(1) In the case of any contract, in effect on the effective date, for the purchase of production from any part of the United States' share of Naval Petroleum Reserve Numbered 1, the sale of the interest of the United States in the reserve shall be subject to the contract for a period of three months after the closing date of the sale or until termination of the contract, whichever occurs first. The term of any contract entered into after the effective date for the purchase of the production shall not exceed the anticipated closing date for the sale of the reserve.

(2) The Secretary shall exercise the termination procedures provided in the contract between the United States and Bechtel Petroleum Operation, Inc., Contract Number DE-ACO1-85FE60520 so that the contract terminates not later than the date of closing of the sale of Naval Petroleum Reserve Numbered 1 under section 3412.

(3) The Secretary shall exercise the termination procedures provided in the unit plan contract so that the unit plan contract terminates not later than the date of closing of the sale of reserve.

(b) **EFFECT ON ANTI-TRUST LAWS.**—Nothing in this subtitle shall be construed to alter the application of the antitrust laws of the United States to the purchaser or purchasers (as the case may be) of Naval Petroleum Reserve Numbered 1 or to the lands in the reserve subject to sale under section 3412 upon the completion of the sale.

(c) **PRESERVATION OF PRIVATE RIGHT, TITLE, AND INTEREST.**—Nothing in this subtitle shall be construed to adversely affect the ownership interest of any other entity having any right, title, and interest in and to lands within the boundaries of Naval Petroleum Reserve Numbered 1 and which are subject to the unit plan contract.

(d) **TRANSFER OF OTHERWISE NONTRANSFERABLE PERMIT.**—The Secretary may transfer to the purchaser or purchasers (as the case may be) of Naval Petroleum Reserve Numbered 1 the incidental take permit regarding the reserve issued to the Secretary by the United States Fish and Wildlife Service and in effect on the effective date if the Secretary determines that transfer of the permit is necessary to expedite the sale of the reserve in a manner that maximizes the value of the sale to the United States. The transferred permit shall cover the identical

activities, and shall be subject to the same terms and conditions, as apply to the permit at the time of the transfer.

SEC. 3414. CONDITIONS ON SALE PROCESS.

(a) **NOTICE REGARDING SALE CONDITIONS.**—The Secretary may not enter into any contract for the sale of Naval Petroleum Reserve Numbered 1 under section 3412 until the end of the 31-day period beginning on the date on which the Secretary submits to the appropriate congressional committees a written notification—

(1) describing the conditions of the proposed sale; and

(2) containing an assessment by the Secretary of whether it is in the best interests of the United States to sell the reserve under such conditions.

(b) **AUTHORITY TO SUSPEND SALE.**—(1) The Secretary may suspend the sale of Naval Petroleum Reserve Numbered 1 under section 3412 if the Secretary and the Director of the Office of Management and Budget jointly determine that—

(A) the sale is proceeding in a manner inconsistent with achievement of a sale price that reflects the full value of the reserve; or

(B) a course of action other than the immediate sale of the reserve is in the best interests of the United States.

(2) Immediately after making a determination under paragraph (1) to suspend the sale of Naval Petroleum Reserve Numbered 1, the Secretary shall submit to the appropriate congressional committees a written notification describing the basis for the determination and requesting a reconsideration of the merits of the sale of the reserve.

(c) **EFFECT OF RECONSIDERATION NOTICE.**—After the Secretary submits a notification under subsection (b), the Secretary may not complete the sale of Naval Petroleum Reserve Numbered 1 under section 3412 or any other provision of law unless the sale of the reserve is authorized in an Act of Congress enacted after the date of the submission of the notification.

SEC. 3415. TREATMENT OF STATE OF CALIFORNIA CLAIM REGARDING RESERVE.

(a) **RESERVATION OF FUNDS.**—After the costs incurred in the conduct of the sale of Naval Petroleum Reserve Numbered 1 under section 3412 are deducted, nine percent of the remaining proceeds from the sale of the reserve shall be reserved in a contingent fund in the Treasury for payment to the State of California for the Teachers' Retirement Fund of the State in the event that, and to the extent that, the claims of the State against the United States regarding production and proceeds of sale from Naval Petroleum Reserve Numbered 1 are—

(1) settled by agreement with the United States under subsection (c); or

(2) finally resolved in favor of the State by a court of competent jurisdiction, if a settlement agreement is not reached.

(b) **DISPOSITION OF FUNDS.**—In such amounts as may be provided in appropriation Acts, amounts in the contingent fund shall be available for paying a claim described in subsection (a). After final disposition of the claims, any unobligated balance in the contingent fund shall be credited to the general fund of the Treasury. If no payment is made from the contingent fund within 10 years after the effective date, amounts in the contingent fund shall be credited to the general fund of the Treasury.

(c) **SETTLEMENT OFFER.**—Not later than 30 days after the date of the sale of Naval Petroleum Reserve Numbered 1 under section 3412, the Secretary shall offer to settle all claims of the State of California against the United States with respect to lands in the reserve located in sections 16 and 36 of township 30 south, range 23 east, Mount Diablo

Principal Meridian, California, and production or proceeds of sale from the reserve, in order to provide proper compensation for the State's claims. The Secretary shall base the amount of the offered settlement payment from the contingent fund on the fair value for the State's claims, including the mineral estate, not to exceed the amount reserved in the contingent fund.

(d) **RELEASE OF CLAIMS.**—Acceptance of the settlement offer made under subsection (c) shall be subject to the condition that all claims against the United States by the State of California for the Teachers' Retirement Fund of the State be released with respect to lands in Naval Petroleum Reserve Numbered 1, including sections 16 and 36 of township 30 south, range 23 east, Mount Diablo Principal Meridian, California, or production or proceeds of sale from the reserve.

SEC. 3416. STUDY OF FUTURE OF OTHER NAVAL PETROLEUM RESERVES.

(a) **STUDY REQUIRED.**—The Secretary of Energy shall conduct a study to determine which of the following options, or combinations of options, regarding the naval petroleum reserves (other than Naval Petroleum Reserve Numbered 1) would maximize the value of the reserves to the United States:

(1) Retention and operation of the naval petroleum reserves by the Secretary under chapter 641 of title 10, United States Code.

(2) Transfer of all or a part of the naval petroleum reserves to the jurisdiction of another Federal agency for administration under chapter 641 of title 10, United States Code.

(3) Transfer of all or a part of the naval petroleum reserves to the Department of the Interior for leasing in accordance with the Mineral Leasing Act (30 U.S.C. 181 et seq.) and surface management in accordance with the Federal Land Policy and Management Act (43 U.S.C. 1701 et seq.).

(4) Sale of the interest of the United States in the naval petroleum reserves.

(b) **CONDUCT OF STUDY.**—The Secretary shall retain an independent petroleum consultant to conduct the study.

(c) **CONSIDERATIONS UNDER STUDY.**—An examination of the value to be derived by the United States from the transfer or sale of the naval petroleum reserves shall include an assessment and estimate of the fair market value of the interest of the United States in the naval petroleum reserves. The assessment and estimate shall be made in a manner consistent with customary property valuation practices in the oil and gas industry.

(d) **REPORT AND RECOMMENDATIONS REGARDING STUDY.**—Not later than June 1, 1996, the Secretary shall submit to Congress a report describing the results of the study and containing such recommendations (including proposed legislation) as the Secretary considers necessary to implement the option, or combination of options, identified in the study that would maximize the value of the naval petroleum reserves to the United States.

TITLE XXXV—PANAMA CANAL COMMISSION

Subtitle A—Authorization of Appropriations

SEC. 3501. SHORT TITLE.

This subtitle may be cited as the "Panama Canal Commission Authorization Act for Fiscal Year 1996".

SEC. 3502. AUTHORIZATION OF EXPENDITURES.

(a) **IN GENERAL.**—Subject to subsection (b), the Panama Canal Commission is authorized to make such expenditures within the limits of funds and borrowing authority available to it in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as may be necessary under the Panama Canal Act of

1979 (22 U.S.C. 3601 et seq.) for the operation, maintenance, and improvement of the Panama Canal for fiscal year 1996.

(b) LIMITATIONS.—For fiscal year 1996, the Panama Canal Commission may expend from funds in the Panama Canal Revolving Fund not more than \$50,741,000 for administrative expenses, of which—

(1) not more than \$15,000 may be used for official reception and representation expenses of the Supervisory Board of the Commission;

(2) not more than \$10,000 may be used for official reception and representation expenses of the Secretary of the Commission; and

(3) not more than \$45,000 may be used for official reception and representation expenses of the Administrator of the Commission.

(c) REPLACEMENT VEHICLES.—Funds available to the Panama Canal Commission shall be available for the purchase of not to exceed 38 passenger motor vehicles (including large heavy-duty vehicles to be used to transport Commission personnel across the isthmus of Panama) at a cost per vehicle of not more than \$19,500. A vehicle may be purchased with such funds only as necessary to replace another passenger motor vehicle of the Commission.

SEC. 3503. EXPENDITURES IN ACCORDANCE WITH OTHER LAWS.

Expenditures authorized under this subtitle may be made only in accordance with the Panama Canal Treaties of 1977 and any law of the United States implementing those treaties.

Subtitle B—Reconstitution of Commission as Government Corporation

SEC. 3521. SHORT TITLE.

This subtitle may be cited as the "Panama Canal Amendments Act of 1995".

SEC. 3522. RECONSTITUTION OF COMMISSION AS GOVERNMENT CORPORATION.

(a) IN GENERAL.—Section 1101 of the Panama Canal Act of 1979 (22 U.S.C. 3611) is amended to read as follows:

"ESTABLISHMENT, PURPOSES, OFFICES, AND RESIDENCE OF COMMISSION

"SEC. 1101. (a) For the purposes of managing, operating, and maintaining the Panama Canal and its complementary works, installations and equipment, and of conducting operations incident thereto, in accordance with the Panama Canal Treaty of 1977 and related agreements, the Panama Canal Commission (hereinafter in this Act referred to as the 'Commission') is established as a wholly owned government corporation (as that term is used in chapter 91 of title 31, United States Code) within the executive branch of the Government of the United States. The authority of the President with respect to the Commission shall be exercised through the Secretary of Defense.

"(b) The principal office of the Commission shall be located in the Republic of Panama in one of the areas made available for use of the United States under the Panama Canal Treaty of 1977 and related agreements, but the Commission may establish branch offices in such other places as it considers necessary or appropriate for the conduct of its business. Within the meaning of the laws of the United States relating to venue in civil actions, the Commission is an inhabitant and resident of the District of Columbia and the eastern judicial district of Louisiana."

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of contents in section 1 of such Act is amended to read as follows:

"1101. Establishment, Purposes, Offices, and Residence of Commission."

SEC. 3523. SUPERVISORY BOARD.

Section 1102 of the Panama Canal Act of 1979 (22 U.S.C. 3612) is amended by striking

out so much as precedes subsection (b) and inserting in lieu thereof the following:

"SUPERVISORY BOARD

"SEC. 1102. (a) The Commission shall be supervised by a Board composed of nine members, one of whom shall be the Secretary of Defense or an officer of the Department of Defense designated by the Secretary. Not less than five members of the Board shall be nationals of the United States and the remaining members of the Board shall be nationals of the Republic of Panama. Three members of the Board who are nationals of the United States shall hold no other office in, and shall not be employed by, the Government of the United States, and shall be chosen for the independent perspective they can bring to the Commission's affairs. Members of the Board who are nationals of the United States shall cast their votes as directed by the Secretary of Defense or a designee of the Secretary of Defense."

SEC. 3524. GENERAL AND SPECIFIC POWERS OF COMMISSION.

(a) IN GENERAL.—The Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) is amended by inserting after section 1102 the following new sections:

"GENERAL POWERS OF COMMISSION

"SEC. 1102a. (a) The Commission may adopt, alter, and use a corporate seal, which shall be judicially noticed.

"(b) The Commission may by action of the Board of Directors adopt, amend, and repeal bylaws governing the conduct of its general business and the performance of the powers and duties granted to or imposed upon it by law.

"(c) The Commission may sue and be sued in its corporate name, except that—

"(1) the amenability of the Commission to suit is limited by Article VIII of the Panama Canal Treaty of 1977, section 1401 of this Act, and otherwise by law;

"(2) an attachment, garnishment, or similar process may not be issued against salaries or other moneys owed by the Commission to its employees except as provided by section 5520a of title 5, United States Code, and sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, 662), or as otherwise specifically authorized by the laws of the United States; and

"(3) the Commission is exempt from the payment of interest on claims and judgments.

"(d) The Commission may enter into contracts, leases, agreements, or other transactions.

"(e) The Commission—

"(1) may determine the character of, and necessity for, its obligations and expenditures and the manner in which they shall be incurred, allowed, and paid; and

"(2) may incur, allow, and pay its obligations and expenditures, subject to pertinent provisions of law generally applicable to Government corporations.

"(f) The Commission shall have the priority of the Government of the United States in the payment of debts out of bankrupt estates.

"(g) The authority of the Commission under this section and section 1102B is subject to the Panama Canal Treaty of 1977 and related agreements, and to chapter 91 of title 31, United States Code.

"SPECIFIC POWERS OF COMMISSION

"SEC. 1102b. (a) The Commission may manage, operate, and maintain the Panama Canal.

"(b) The Commission may construct or acquire, establish, maintain, and operate such activities, facilities, and appurtenances as necessary and appropriate for the accomplishment of the purposes of this Act, including the following:

"(1) Docks, wharves, piers, and other shoreline facilities.

"(2) Shops and yards.

"(3) Marine railways, salvage and towing facilities, fuel-handling facilities, and motor transportation facilities.

"(4) Power systems, water systems, and a telephone system.

"(5) Construction facilities.

"(6) Living quarters and other buildings.

"(7) Warehouses, storehouses, a printing plant, and manufacturing, processing, or service facilities in connection therewith.

"(8) Recreational facilities.

"(c) The Commission may use the United States mails in the same manner and under the same conditions as the executive departments of the Federal Government.

"(d) The Commission may take such actions as are necessary or appropriate to carry out the powers specifically conferred upon it."

(b) CLERICAL AMENDMENT.—The table of contents in section 1 of such Act is amended by inserting after the item relating to section 1102 the following new items:

"1102a. General powers of Commission.

"1102b. Specific powers of Commission."

SEC. 3525. CONGRESSIONAL REVIEW OF BUDGET.

Section 1302 of the Panama Canal Act of 1979 (22 U.S.C. 3712) is amended—

(1) in subsection (c)—

(A) by striking out "and subject to paragraph (2)" in paragraph (1);

(B) by striking out paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2); and

(2) by striking out subsection (e) and inserting in lieu thereof the following new subsection (e):

"(e) In accordance with section 9104 of title 31, United States Code, Congress shall review the annual budget of the Commission."

SEC. 3526. AUDITS.

(a) IN GENERAL.—Section 1313 of the Panama Canal Act of 1979 (22 U.S.C. 3723) is amended—

(1) by striking out the heading for the section and inserting in lieu thereof the following: "AUDITS";

(2) in subsection (a)—

(A) by striking out "Financial transactions" and inserting in lieu thereof "Notwithstanding any other provision of law, and subject to subsection (d), financial transactions";

(B) by striking out "pursuant to the Accounting and Auditing Act of 1950 (31 U.S.C. 65 et seq.)";

(C) by striking out "audit pursuant to such Act" in the second sentence and inserting in lieu thereof "such audit";

(D) by striking out "An audit pursuant to such Act" in the last sentence and inserting in lieu thereof "Any such audit"; and

(E) by adding at the end the following new sentence: "An audit performed under this section is subject to the requirements of paragraphs (2), (3), and (5) of section 9105(a) of title 31, United States Code.";

(3) in subsection (b), by striking out "The Comptroller General" in the first sentence and inserting in lieu thereof "Subject to subsection (d), the Comptroller General"; and

(4) by adding at the end the following new subsections:

"(d) At the discretion of the Board provided for in section 1102, the Commission may hire independent auditors to perform, in lieu of the Comptroller General, the audit and reporting functions prescribed in subsections (a) and (b).

"(e) In addition to auditing the financial statements of the Commission, the Comptroller General (or the independent auditor if one is employed pursuant to subsection (d)) shall, in accordance with standards for an examination of a financial forecast estab-

lished by the American Institute of Certified Public Accountants, examine and report on the Commission's financial forecast that it will be in a position to meet its financial liabilities on December 31, 1999."

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of contents in section 1 of such Act is amended to read as follows:

"1313. Audits."

SEC. 3527. PRESCRIPTION OF MEASUREMENT RULES AND RATES OF TOLLS.

Section 1601 of the Panama Canal Act of 1979 (22 U.S.C. 3791) is amended to read as follows:

"PRESCRIPTION OF MEASUREMENT RULES AND RATES OF TOLLS

"SEC. 1601. The Commission may, subject to the provisions of this Act, prescribe and from time to time change—

"(1) the rules for the measurement of vessels for the Panama Canal; and

"(2) the tolls that shall be levied for use of the Panama Canal."

SEC. 3528. PROCEDURES FOR CHANGES IN RULES OF MEASUREMENT AND RATES OF TOLLS.

Section 1604 of the Panama Canal Act of 1979 (22 U.S.C. 3794) is amended—

(1) in subsection (a), by striking out "1601(a)" in the first sentence and inserting in lieu thereof "1601";

(2) by striking out subsection (c) and inserting in lieu thereof the following new subsection (c):

"(c) After the proceedings have been conducted pursuant to subsections (a) and (b), the Commission may change the rules of measurement or rates of tolls, as the case may be. The Commission shall publish notice of any such change in the Federal Register not less than 30 days before the effective date of the change."; and

(3) by striking out subsections (d) and (e) and redesignating subsection (f) as subsection (d).

SEC. 3529. MISCELLANEOUS TECHNICAL AMENDMENTS.

The Panama Canal Act of 1979 is amended—

(1) in section 1205 (22 U.S.C. 3645), by striking out "appropriation" in the last sentence and inserting in lieu thereof "fund";

(2) in section 1303 (22 U.S.C. 3713), by striking out "The authority of this section may not be used for administrative expenses.";

(3) in section 1321(d) (22 U.S.C. 3731(d)), by striking out "appropriations or" in the second sentence;

(4) in section 1401(c) (22 U.S.C. 3761(c)), by striking out "appropriated for or" in the first sentence;

(5) in section 1415 (22 U.S.C. 3775), by striking out "appropriated or" in the second sentence; and

(6) in section 1416 (22 U.S.C. 3776), by striking out "appropriated or" in the third sentence.

SEC. 3530. CONFORMING AMENDMENT TO TITLE 31, UNITED STATES CODE.

Section 9101(3) of title 31, United States Code, is amended by adding at the end the following:

"(P) the Panama Canal Commission."

DIVISION D—FEDERAL ACQUISITION REFORM

SEC. 4001. SHORT TITLE.

This division may be cited as the "Federal Acquisition Reform Act of 1996".

TITLE XLI—COMPETITION

SEC. 4101. EFFICIENT COMPETITION.

(a) ARMED SERVICES ACQUISITIONS.—Section 2304 of title 10, United States Code, is amended—

(1) by redesignating subsection (j) as subsection (k); and

(2) by inserting after subsection (i) the following new subsection (j):

"(j) The Federal Acquisition Regulation shall ensure that the requirement to obtain full and open competition is implemented in a manner that is consistent with the need to efficiently fulfill the Government's requirements."

(b) CIVILIAN AGENCY ACQUISITIONS.—Section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253) is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection (h):

"(h) The Federal Acquisition Regulation shall ensure that the requirement to obtain full and open competition is implemented in a manner that is consistent with the need to efficiently fulfill the Government's requirements."

(c) REVISIONS TO NOTICE THRESHOLDS.—Section 18(a)(1)(B) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(a)(1)(B)) is amended—

(A) by striking out "subsection (f)—" and all that follows through the end of the subparagraph and inserting in lieu thereof "subsection (b); and"; and

(B) by inserting after "property or services" the following: "for a price expected to exceed \$10,000, but not to exceed \$25,000."

SEC. 4102. EFFICIENT APPROVAL PROCEDURES.

(a) ARMED SERVICES ACQUISITIONS.—Section 2304(f)(1)(B) of title 10, United States Code, is amended—

(1) in clause (i)—

(A) by striking out "\$100,000 (but equal to or less than \$1,000,000)" and inserting in lieu thereof "\$500,000 (but equal to or less than \$10,000,000)"; and

(B) by striking out "(ii), (iii), or (iv)" and inserting in lieu thereof "(ii) or (iii)";

(2) in clause (ii)—

(A) by striking out "\$1,000,000 (but equal to or less than \$10,000,000)" and inserting in lieu thereof "\$10,000,000 (but equal to or less than \$50,000,000)"; and

(B) by adding "or" at the end;

(3) by striking out clause (iii); and

(4) by redesignating clause (iv) as clause (iii).

(b) CIVILIAN AGENCY ACQUISITIONS.—Section 303(f)(1)(B) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(f)(1)(B)) is amended—

(1) in clause (i)—

(A) by striking out "\$100,000 (but equal to or less than \$1,000,000)" and inserting in lieu thereof "\$500,000 (but equal to or less than \$10,000,000)"; and

(B) by striking out "(ii), (iii), or (iv);" and inserting in lieu thereof "(ii) or (iii)";

(2) in clause (ii)—

(A) by striking out "\$1,000,000 (but equal to or less than \$10,000,000)" and inserting in lieu thereof "\$10,000,000 (but equal to or less than \$50,000,000)"; and

(B) by striking out the semicolon after "civilian" and inserting in lieu thereof a comma; and

(3) in clause (iii), by striking out "\$10,000,000" and inserting in lieu thereof "\$50,000,000".

SEC. 4103. EFFICIENT COMPETITIVE RANGE DETERMINATIONS.

(a) ARMED SERVICES ACQUISITIONS.—Paragraph (4) of 2305(b) of title 10, United States Code, is amended—

(1) in subparagraph (C), by striking out "(C)", by transferring the text to the end of subparagraph (B), and in that text by striking out "Subparagraph (B)" and inserting in lieu thereof "This subparagraph";

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting before subparagraph (C) (as so redesignated) the following new subparagraph (B):

"(B) If the contracting officer determines that the number of offerors that would otherwise be included in the competitive range under subparagraph (A)(i) exceeds the number at which an efficient competition can be conducted, the contracting officer may limit the number of proposals in the competitive range, in accordance with the criteria specified in the solicitation, to the greatest number that will permit an efficient competition among the offerors rated most highly in accordance with such criteria."

(b) CIVILIAN AGENCY ACQUISITIONS.—Section 303B(d) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b(d)) is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting before paragraph (3) (as so redesignated) the following new paragraph (2):

"(2) If the contracting officer determines that the number of offerors that would otherwise be included in the competitive range under paragraph (1)(A) exceeds the number at which an efficient competition can be conducted, the contracting officer may limit the number of proposals in the competitive range, in accordance with the criteria specified in the solicitation, to the greatest number that will permit an efficient competition among the offerors rated most highly in accordance with such criteria."

SEC. 4104. PREAWARD DEBRIEFINGS.

(a) ARMED SERVICES ACQUISITIONS.—Section 2305(b) of title 10, United States Code, is amended—

(1) by striking out subparagraph (F) of paragraph (5);

(2) by redesignating paragraph (6) as paragraph (9); and

(3) by inserting after paragraph (5) the following new paragraphs:

"(6)(A) When the contracting officer excludes an offeror submitting a competitive proposal from the competitive range (or otherwise excludes such an offeror from further consideration prior to the final source selection decision), the excluded offeror may request in writing, within three days after the date on which the excluded offeror receives notice of its exclusion, a debriefing prior to award. The contracting officer shall make every effort to debrief the unsuccessful offeror as soon as practicable but may refuse the request for a debriefing if it is not in the best interests of the Government to conduct a debriefing at that time.

"(B) The contracting officer is required to debrief an excluded offeror in accordance with paragraph (5) of this section only if that offeror requested and was refused a preaward debriefing under subparagraph (A) of this paragraph.

"(C) The debriefing conducted under this subsection shall include—

"(i) the executive agency's evaluation of the significant elements in the offeror's offer;

"(ii) a summary of the rationale for the offeror's exclusion; and

"(iii) reasonable responses to relevant questions posed by the debriefed offeror as to whether source selection procedures set forth in the solicitation, applicable regulations, and other applicable authorities were followed by the executive agency.

"(D) The debriefing conducted pursuant to this subsection may not disclose the number or identity of other offerors and shall not disclose information about the content, ranking, or evaluation of other offerors' proposals.

"(7) The contracting officer shall include a summary of any debriefing conducted under paragraph (5) or (6) in the contract file.

“(8) The Federal Acquisition Regulation shall include a provision encouraging the use of alternative dispute resolution techniques to provide informal, expeditious, and inexpensive procedures for an offeror to consider using before filing a protest, prior to the award of a contract, of the exclusion of the offeror from the competitive range (or otherwise from further consideration) for that contract.”.

(b) CIVILIAN AGENCY ACQUISITIONS.—Section 303B of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b) is amended—

(1) by striking out paragraph (6) of subsection (e);

(2) by redesignating subsections (f), (g), (h), and (i) as subsections (i), (j), (k), and (l), respectively; and

(3) by inserting after subsection (e) the following new subsections:

“(f)(1) When the contracting officer excludes an offeror submitting a competitive proposal from the competitive range (or otherwise excludes such an offeror from further consideration prior to the final source selection decision), the excluded offeror may request in writing, within 3 days after the date on which the excluded offeror receives notice of its exclusion, a debriefing prior to award. The contracting officer shall make every effort to debrief the unsuccessful offeror as soon as practicable but may refuse the request for a debriefing if it is not in the best interests of the Government to conduct a debriefing at that time.

“(2) The contracting officer is required to debrief an excluded offeror in accordance with subsection (e) of this section only if that offeror requested and was refused a preaward debriefing under paragraph (1) of this subsection.

“(3) The debriefing conducted under this subsection shall include—

“(A) the executive agency’s evaluation of the significant elements in the offeror’s offer;

“(B) a summary of the rationale for the offeror’s exclusion; and

“(C) reasonable responses to relevant questions posed by the debriefed offeror as to whether source selection procedures set forth in the solicitation, applicable regulations, and other applicable authorities were followed by the executive agency.

“(4) The debriefing conducted pursuant to this subsection may not disclose the number or identity of other offerors and shall not disclose information about the content, ranking, or evaluation of other offerors’ proposals.

“(g) The contracting officer shall include a summary of any debriefing conducted under subsection (e) or (f) in the contract file.

“(h) The Federal Acquisition Regulation shall include a provision encouraging the use of alternative dispute resolution techniques to provide informal, expeditious, and inexpensive procedures for an offeror to consider using before filing a protest, prior to the award of a contract, of the exclusion of the offeror from the competitive range (or otherwise from further consideration) for that contract.”.

SEC. 4105. DESIGN-BUILD SELECTION PROCEDURES.

(a) ARMED SERVICES ACQUISITIONS.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2305 the following new section:

“§ 2305a. Design-build selection procedures

“(a) AUTHORIZATION.—Unless the traditional acquisition approach of design-bid-build established under the Brooks Architect-Engineers Act (41 U.S.C. 541 et seq.) is used or another acquisition procedure authorized by law is used, the head of an agency shall use the two-phase selection proce-

dures authorized in this section for entering into a contract for the design and construction of a public building, facility, or work when a determination is made under subsection (b) that the procedures are appropriate for use.

“(b) CRITERIA FOR USE.—A contracting officer shall make a determination whether two-phase selection procedures are appropriate for use for entering into a contract for the design and construction of a public building, facility, or work when the contracting officer anticipates that three or more offers will be received for such contract, design work must be performed before an offeror can develop a price or cost proposal for such contract, the offeror will incur a substantial amount of expense in preparing the offer, and the contracting officer has considered information such as the following:

“(1) The extent to which the project requirements have been adequately defined.

“(2) The time constraints for delivery of the project.

“(3) The capability and experience of potential contractors.

“(4) The suitability of the project for use of the two-phase selection procedures.

“(5) The capability of the agency to manage the two-phase selection process.

“(6) Other criteria established by the agency.

“(c) PROCEDURES DESCRIBED.—Two-phase selection procedures consist of the following:

“(1) The agency develops, either in-house or by contract, a scope of work statement for inclusion in the solicitation that defines the project and provides prospective offerors with sufficient information regarding the Government’s requirements (which may include criteria and preliminary design, budget parameters, and schedule or delivery requirements) to enable the offerors to submit proposals which meet the Government’s needs. If the agency contracts for development of the scope of work statement, the agency shall contract for architectural and engineering services as defined by and in accordance with the Brooks Architect-Engineers Act (40 U.S.C. 541 et seq.).

“(2) The contracting officer solicits phase-one proposals that—

“(A) include information on the offeror’s—

“(i) technical approach; and

“(ii) technical qualifications; and

“(B) do not include—

“(i) detailed design information; or

“(ii) cost or price information.

“(3) The evaluation factors to be used in evaluating phase-one proposals are stated in the solicitation and include specialized experience and technical competence, capability to perform, past performance of the offeror’s team (including the architect-engineer and construction members of the team) and other appropriate factors, except that cost-related or price-related evaluation factors are not permitted. Each solicitation establishes the relative importance assigned to the evaluation factors and subfactors that must be considered in the evaluation of phase-one proposals. The agency evaluates phase-one proposals on the basis of the phase-one evaluation factors set forth in the solicitation.

“(4) The contracting officer selects as the most highly qualified the number of offerors specified in the solicitation to provide the property or services under the contract and requests the selected offerors to submit phase-two competitive proposals that include technical proposals and cost or price information. Each solicitation establishes with respect to phase two—

“(A) the technical submission for the proposal, including design concepts or proposed solutions to requirements addressed within the scope of work (or both), and

“(B) the evaluation factors and subfactors, including cost or price, that must be considered in the evaluations of proposals in accordance with paragraphs (2), (3), and (4) of section 2305(a) of this title.

The contracting officer separately evaluates the submissions described in subparagraphs (A) and (B).

“(5) The agency awards the contract in accordance with section 2305(b)(4) of this title.

“(d) SOLICITATION TO STATE NUMBER OF OFFERORS TO BE SELECTED FOR PHASE TWO REQUESTS FOR COMPETITIVE PROPOSALS.—A solicitation issued pursuant to the procedures described in subsection (c) shall state the maximum number of offerors that are to be selected to submit competitive proposals pursuant to subsection (c)(4). The maximum number specified in the solicitation shall not exceed 5 unless the agency determines with respect to an individual solicitation that a specified number greater than 5 is in the Government’s interest and is consistent with the purposes and objectives of the two-phase selection process.

“(e) REQUIREMENT FOR GUIDANCE AND REGULATIONS.—The Federal Acquisition Regulation shall include guidance—

“(1) regarding the factors that may be considered in determining whether the two-phase contracting procedures authorized by subsection (a) are appropriate for use in individual contracting situations;

“(2) regarding the factors that may be used in selecting contractors; and

“(3) providing for a uniform approach to be used Government-wide.”.

(2) The table of sections at the beginning of chapter 137 of this title is amended by adding after the item relating to section 2305 the following new item:

“2305a. Design-build selection procedures.”.

(b) CIVILIAN AGENCY ACQUISITIONS.—(1) Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended by inserting after section 303L the following new section:

“SEC. 303M. DESIGN-BUILD SELECTION PROCEDURES.

“(a) AUTHORIZATION.—Unless the traditional acquisition approach of design-bid-build established under the Brooks Architect-Engineers Act (title IX of this Act) is used or another acquisition procedure authorized by law is used, the head of an executive agency shall use the two-phase selection procedures authorized in this section for entering into a contract for the design and construction of a public building, facility, or work when a determination is made under subsection (b) that the procedures are appropriate for use.

“(b) CRITERIA FOR USE.—A contracting officer shall make a determination whether two-phase selection procedures are appropriate for use for entering into a contract for the design and construction of a public building, facility, or work when the contracting officer anticipates that three or more offers will be received for such contract, design work must be performed before an offeror can develop a price or cost proposal for such contract, the offeror will incur a substantial amount of expense in preparing the offer, and the contracting officer has considered information such as the following:

“(1) The extent to which the project requirements have been adequately defined.

“(2) The time constraints for delivery of the project.

“(3) The capability and experience of potential contractors.

“(4) The suitability of the project for use of the two-phase selection procedures.

“(5) The capability of the agency to manage the two-phase selection process.

“(6) Other criteria established by the agency.

“(c) PROCEDURES DESCRIBED.—Two-phase selection procedures consist of the following:

“(1) The agency develops, either in-house or by contract, a scope of work statement for inclusion in the solicitation that defines the project and provides prospective offerors with sufficient information regarding the Government’s requirements (which may include criteria and preliminary design, budget parameters, and schedule or delivery requirements) to enable the offerors to submit proposals which meet the Government’s needs. If the agency contracts for development of the scope of work statement, the agency shall contract for architectural and engineering services as defined by and in accordance with the Brooks Architect-Engineers Act (40 U.S.C. 541 et seq.).

“(2) The contracting officer solicits phase-one proposals that—

“(A) include information on the offeror’s—

“(i) technical approach; and

“(ii) technical qualifications; and

“(B) do not include—

“(i) detailed design information; or

“(ii) cost or price information.

“(3) The evaluation factors to be used in evaluating phase-one proposals are stated in the solicitation and include specialized experience and technical competence, capability to perform, past performance of the offeror’s team (including the architect-engineer and construction members of the team) and other appropriate factors, except that cost-related or price-related evaluation factors are not permitted. Each solicitation establishes the relative importance assigned to the evaluation factors and subfactors that must be considered in the evaluation of phase-one proposals. The agency evaluates phase-one proposals on the basis of the phase-one evaluation factors set forth in the solicitation.

“(4) The contracting officer selects as the most highly qualified the number of offerors specified in the solicitation to provide the property or services under the contract and requests the selected offerors to submit phase-two competitive proposals that include technical proposals and cost or price information. Each solicitation establishes with respect to phase two—

“(A) the technical submission for the proposal, including design concepts or proposed solutions to requirements addressed within the scope of work (or both), and

“(B) the evaluation factors and subfactors, including cost or price, that must be considered in the evaluations of proposals in accordance with subsections (b), (c), and (d) of section 303A.

The contracting officer separately evaluates the submissions described in subparagraphs (A) and (B).

“(5) The agency awards the contract in accordance with section 303B of this title.

“(d) SOLICITATION TO STATE NUMBER OF OFFERORS TO BE SELECTED FOR PHASE TWO REQUESTS FOR COMPETITIVE PROPOSALS.—A solicitation issued pursuant to the procedures described in subsection (c) shall state the maximum number of offerors that are to be selected to submit competitive proposals pursuant to subsection (c)(4). The maximum number specified in the solicitation shall not exceed 5 unless the agency determines with respect to an individual solicitation that a specified number greater than 5 is in the Government’s interest and is consistent with the purposes and objectives of the two-phase selection process.

“(e) REQUIREMENT FOR GUIDANCE AND REGULATIONS.—The Federal Acquisition Regulation shall include guidance—

“(1) regarding the factors that may be considered in determining whether the two-phase contracting procedures authorized by subsection (a) are appropriate for use in individual contracting situations;

“(2) regarding the factors that may be used in selecting contractors; and

“(3) providing for a uniform approach to be used Government-wide.”.

(2) The table of sections at the beginning of such Act is amended by inserting after the item relating to section 303L the following new item:

“Sec. 303M. Design-build selection procedures.”.

TITLE XLII—COMMERCIAL ITEMS

SEC. 4201. COMMERCIAL ITEM EXCEPTION TO REQUIREMENT FOR CERTIFIED COST OR PRICING DATA.

(a) ARMED SERVICES ACQUISITIONS.—(1) Subsections (b), (c), and (d) of section 2306a of title 10, United States Code, are amended to read as follows:

“(b) EXCEPTIONS.—

“(1) IN GENERAL.—Submission of certified cost or pricing data shall not be required under subsection (a) in the case of a contract, a subcontract, or modification of a contract or subcontract—

“(A) for which the price agreed upon is based on—

“(i) adequate price competition; or

“(ii) prices set by law or regulation;

“(B) for the acquisition of a commercial item; or

“(C) in an exceptional case when the head of the procuring activity, without delegation, determines that the requirements of this section may be waived and justifies in writing the reasons for such determination.

“(2) MODIFICATIONS OF CONTRACTS AND SUBCONTRACTS FOR COMMERCIAL ITEMS.—In the case of a modification of a contract or subcontract for a commercial item that is not covered by the exception to the submission of certified cost or pricing data in paragraph (1)(A) or (1)(B), submission of certified cost or pricing data shall not be required under subsection (a) if—

“(A) the contract or subcontract being modified is a contract or subcontract for which submission of certified cost or pricing data may not be required by reason of paragraph (1)(A) or (1)(B); and

“(B) the modification would not change the contract or subcontract, as the case may be, from a contract or subcontract for the acquisition of a commercial item to a contract or subcontract for the acquisition of an item other than a commercial item.

“(c) COST OR PRICING DATA ON BELOW-THRESHOLD CONTRACTS.—

“(1) AUTHORITY TO REQUIRE SUBMISSION.—Subject to paragraph (2), when certified cost or pricing data are not required to be submitted by subsection (a) for a contract, subcontract, or modification of a contract or subcontract, such data may nevertheless be required to be submitted by the head of the procuring activity, but only if the head of the procuring activity determines that such data are necessary for the evaluation by the agency of the reasonableness of the price of the contract, subcontract, or modification of a contract or subcontract. In any case in which the head of the procuring activity requires such data to be submitted under this subsection, the head of the procuring activity shall justify in writing the reason for such requirement.

“(2) EXCEPTION.—The head of the procuring activity may not require certified cost or pricing data to be submitted under this paragraph for any contract or subcontract, or modification of a contract or subcontract, covered by the exceptions in subparagraph (A) or (B) of subsection (b)(1).

“(3) DELEGATION OF AUTHORITY PROHIBITED.—The head of a procuring activity may not delegate functions under this paragraph.

“(d) SUBMISSION OF OTHER INFORMATION.—

“(1) AUTHORITY TO REQUIRE SUBMISSION.—When certified cost or pricing data are not

required to be submitted under this section for a contract, subcontract, or modification of a contract or subcontract, the contracting officer shall require submission of data other than certified cost or pricing data to the extent necessary to determine the reasonableness of the price of the contract, subcontract, or modification of the contract or subcontract. Except in the case of a contract or subcontract covered by the exceptions in subsection (b)(1)(A), the data submitted shall include, at a minimum, appropriate information on the prices at which the same item or similar items have previously been sold that is adequate for evaluating the reasonableness of the price for the procurement.

“(2) LIMITATIONS ON AUTHORITY.—The Federal Acquisition Regulation shall include the following provisions regarding the types of information that contracting officers may require under paragraph (1):

“(A) Reasonable limitations on requests for sales data relating to commercial items.

“(B) A requirement that a contracting officer limit, to the maximum extent practicable, the scope of any request for information relating to commercial items from an offeror to only that information that is in the form regularly maintained by the offeror in commercial operations.

“(C) A statement that any information received relating to commercial items that is exempt from disclosure under section 552(b) of title 5 shall not be disclosed by the Federal Government.”.

(2) Section 2306a of such title is further amended—

(A) by striking out subsection (h); and

(B) by redesignating subsection (i) as subsection (h).

(b) CIVILIAN AGENCY ACQUISITIONS.—(1) Subsections (b), (c) and (d) of section 304A of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b) are amended to read as follows:

“(b) EXCEPTIONS.—

“(1) IN GENERAL.—Submission of certified cost or pricing data shall not be required under subsection (a) in the case of a contract, a subcontract, or a modification of a contract or subcontract—

“(A) for which the price agreed upon is based on—

“(i) adequate price competition; or

“(ii) prices set by law or regulation;

“(B) for the acquisition of a commercial item; or

“(C) in an exceptional case when the head of the procuring activity, without delegation, determines that the requirements of this section may be waived and justifies in writing the reasons for such determination.

“(2) MODIFICATIONS OF CONTRACTS AND SUBCONTRACTS FOR COMMERCIAL ITEMS.—In the case of a modification of a contract or subcontract for a commercial item that is not covered by the exception to the submission of certified cost or pricing data in paragraph (1)(A) or (1)(B), submission of certified cost or pricing data shall not be required under subsection (a) if—

“(A) the contract or subcontract being modified is a contract or subcontract for which submission of certified cost or pricing data may not be required by reason of paragraph (1)(A) or (1)(B); and

“(B) the modification would not change the contract or subcontract, as the case may be, from a contract or subcontract for the acquisition of a commercial item to a contract or subcontract for the acquisition of an item other than a commercial item.

“(c) COST OR PRICING DATA ON BELOW-THRESHOLD CONTRACTS.—

“(1) AUTHORITY TO REQUIRE SUBMISSION.—Subject to paragraph (2), when certified cost or pricing data are not required to be submitted by subsection (a) for a contract, subcontract, or modification of a contract or

subcontract, such data may nevertheless be required to be submitted by the head of the procuring activity, but only if the head of the procuring activity determines that such data are necessary for the evaluation by the agency of the reasonableness of the price of the contract, subcontract, or modification of a contract or subcontract. In any case in which the head of the procuring activity requires such data to be submitted under this subsection, the head of the procuring activity shall justify in writing the reason for such requirement.

"(2) EXCEPTION.—The head of the procuring activity may not require certified cost or pricing data to be submitted under this paragraph for any contract or subcontract, or modification of a contract or subcontract, covered by the exceptions in subparagraph (A) or (B) of subsection (b)(1).

"(3) DELEGATION OF AUTHORITY PROHIBITED.—The head of a procuring activity may not delegate the functions under this paragraph.

"(d) SUBMISSION OF OTHER INFORMATION.—

"(1) AUTHORITY TO REQUIRE SUBMISSION.—When certified cost or pricing data are not required to be submitted under this section for a contract, subcontract, or modification of a contract or subcontract, the contracting officer shall require submission of data other than certified cost or pricing data to the extent necessary to determine the reasonableness of the price of the contract, subcontract, or modification of the contract or subcontract. Except in the case of a contract or subcontract covered by the exceptions in subsection (b)(1)(A), the data submitted shall include, at a minimum, appropriate information on the prices at which the same item or similar items have previously been sold that is adequate for evaluating the reasonableness of the price for the procurement.

"(2) LIMITATIONS ON AUTHORITY.—The Federal Acquisition Regulation shall include the following provisions regarding the types of information that contracting officers may require under paragraph (1):

"(A) Reasonable limitations on requests for sales data relating to commercial items.

"(B) A requirement that a contracting officer limit, to the maximum extent practicable, the scope of any request for information relating to commercial items from an offeror to only that information that is in the form regularly maintained by the offeror in commercial operations.

"(C) A statement that any information received relating to commercial items that is exempt from disclosure under section 552(b) of title 5 shall not be disclosed by the Federal Government."

(2) Section 304A of such Act is further amended—

(A) by striking out subsection (h); and

(B) by redesignating subsection (i) as subsection (h).

SEC. 4202. APPLICATION OF SIMPLIFIED PROCEDURES TO CERTAIN COMMERCIAL ITEMS.

(a) ARMED SERVICES ACQUISITIONS.—(1) Section 2304(g) of title 10, United States Code, is amended—

(A) in paragraph (1), by striking out "shall provide for special simplified procedures for purchases of" and all that follows through the end of the paragraph and inserting in lieu thereof the following: "shall provide for—

"(A) special simplified procedures for purchases of property and services for amounts not greater than the simplified acquisition threshold; and

"(B) special simplified procedures for purchases of property and services for amounts greater than the simplified acquisition threshold but not greater than \$5,000,000 with respect to which the contracting officer reasonably expects, based on the nature of the

property or services sought and on market research, that offers will include only commercial items."'; and

(B) by adding at the end the following new paragraph:

"(4) The head of an agency shall comply with the Federal Acquisition Regulation provisions referred to in section 31(g) of the Office of Federal Procurement Policy Act (41 U.S.C. 427)."

(2) Section 2305 of title 10, United States Code, is amended in subsection (a)(2) by inserting after "(other than for" the following: "a procurement for commercial items using special simplified procedures or".

(b) CIVILIAN AGENCY ACQUISITIONS.—(1) Section 303(g) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(g)) is amended—

(A) in paragraph (1), by striking out "shall provide for special simplified procedures for purchases of" and all that follows through the end of the paragraph and inserting in lieu thereof the following: "shall provide for—

"(A) special simplified procedures for purchases of property and services for amounts not greater than the simplified acquisition threshold; and

"(B) special simplified procedures for purchases of property and services for amounts greater than the simplified acquisition threshold but not greater than \$5,000,000 with respect to which the contracting officer reasonably expects, based on the nature of the property or services sought and on market research, that offers will include only commercial items."'; and

(B) by adding at the end the following new paragraph:

"(5) An executive agency shall comply with the Federal Acquisition Regulation provisions referred to in section 31(g) of the Office of Federal Procurement Policy Act (41 U.S.C. 427)."

(2) Section 303A of such Act (41 U.S.C. 253a) is amended in subsection (b) by inserting after "(other than for" the following: "a procurement for commercial items using special simplified procedures or".

(c) ACQUISITIONS GENERALLY.—Section 31 of the Office of Federal Procurement Policy Act (41 U.S.C. 427) is amended—

(1) in subsection (a), by striking out "shall provide for special simplified procedures for purchases of" and all that follows through the end of the subsection and inserting in lieu thereof the following: "shall provide for—

"(1) special simplified procedures for purchases of property and services for amounts not greater than the simplified acquisition threshold; and

"(2) special simplified procedures for purchases of property and services for amounts greater than the simplified acquisition threshold but not greater than \$5,000,000 with respect to which the contracting officer reasonably expects, based on the nature of the property or services sought and on market research, that offers will include only commercial items."'; and

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

"(g) SPECIAL RULES FOR COMMERCIAL ITEMS.—The Federal Acquisition Regulation shall provide that, in the case of a purchase of commercial items using special simplified procedures, an executive agency—

"(1) shall publish a notice in accordance with section 18 and, as provided in subsection (b)(4) of such section, permit all responsible sources to submit a bid, proposal, or quotation (as appropriate) which shall be considered by the agency;

"(2) may not conduct the purchase on a sole source basis unless the need to do so is justified in writing and approved in accordance with section 2304 of title 10, United

States Code, or section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253), as applicable; and

"(3) shall include in the contract file a written description of the procedures used in awarding the contract and the number of offers received."

(d) SIMPLIFIED NOTICE.—(1) Section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) is amended—

(A) in subsection (a)(6), by inserting before "submission" the following: "issuance of solicitations and the"; and

(B) in subsection (b)(6), by striking out "threshold—" and inserting in lieu thereof "threshold, or a contract for the procurement of commercial items using special simplified procedures—"

(e) EFFECTIVE DATE.—The authority to issue solicitations for purchases of commercial items in excess of the simplified acquisition threshold pursuant to the special simplified procedures authorized by section 2304(g)(1) of title 10, United States Code, section 303(g)(1) of the Federal Property and Administrative Services Act of 1949, and section 31(a) of the Office of Federal Procurement Policy Act, as amended by this section, shall expire three years after the date on which such amendments take effect pursuant to section 4401(b). Contracts may be awarded pursuant to solicitations that have been issued before such authority expires, notwithstanding the expiration of such authority.

SEC. 4203. INAPPLICABILITY OF CERTAIN PROCUREMENT LAWS TO COMMERCIALLY AVAILABLE OFF-THE-SHELF ITEMS.

(a) LAWS LISTED IN THE FAR.—The Office of Federal Procurement Policy Act (41 U.S.C. 401) et seq.) is amended by adding at the end the following:

"SEC. 35. COMMERCIALLY AVAILABLE OFF-THE-SHELF ITEM ACQUISITIONS: LISTS OF INAPPLICABLE LAWS IN FEDERAL ACQUISITION REGULATION.

"(a) LISTS OF INAPPLICABLE PROVISIONS OF LAW.—(1) The Federal Acquisition Regulation shall include a list of provisions of law that are inapplicable to contracts for the procurement of commercially available off-the-shelf items.

"(2) A provision of law that, pursuant to paragraph (3), is properly included on a list referred to in paragraph (1) may not be construed as being applicable to contracts referred to in paragraph (1). Nothing in this section shall be construed to render inapplicable to such contracts any provision of law that is not included on such list.

"(3) A provision of law described in subsection (b) shall be included on the list of inapplicable provisions of law required by paragraph (1) unless the Administrator for Federal Procurement Policy makes a written determination that it would not be in the best interest of the United States to exempt such contracts from the applicability of that provision of law. Nothing in this section shall be construed as modifying or superseding, or as being intended to impair or restrict authorities or responsibilities under—

"(A) section 15 of the Small Business Act (15 U.S.C. 644); or

"(B) bid protest procedures developed under the authority of subchapter V of chapter 35 of title 31, United States Code; subsections (e) and (f) of section 2305 of title 10, United States Code; or subsections (h) and (i) of section 303B of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b).

"(b) COVERED LAW.—Except as provided in subsection (a)(3), the list referred to in subsection (a)(1) shall include each provision of law that, as determined by the Administrator, imposes on persons who have been

awarded contracts by the Federal Government for the procurement of commercially available off-the-shelf items Government-unique policies, procedures, requirements, or restrictions for the procurement of property or services, except the following:

“(1) A provision of law that provides for criminal or civil penalties.

“(2) A provision of law that specifically refers to this section and provides that, notwithstanding this section, such provision of law shall be applicable to contracts for the procurement of commercial off-the-shelf items.

“(c) DEFINITION.—(1) As used in this section, the term ‘commercially available off-the-shelf item’ means, except as provided in paragraph (2), an item that—

“(A) is a commercial item (as described in section 4(12)(A));

“(B) is sold in substantial quantities in the commercial marketplace; and

“(C) is offered to the Government, without modification, in the same form in which it is sold in the commercial marketplace.

“(2) The term ‘commercially available off-the-shelf item’ does not include bulk cargo, as defined in section 3 of the Shipping Act of 1984 (46 U.S.C. App. 1702), such as agricultural products and petroleum products.”

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) of such Act is amended by inserting after the item relating to section 34 the following:

“Sec. 35. Commercially available off-the-shelf item acquisitions: lists of inapplicable laws in Federal Acquisition Regulation.”

SEC. 4204. AMENDMENT OF COMMERCIAL ITEMS DEFINITION.

Section 4(12)(F) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)(F)) is amended by inserting “or market” after “catalog”.

SEC. 4205. INAPPLICABILITY OF COST ACCOUNTING STANDARDS TO CONTRACTS AND SUBCONTRACTS FOR COMMERCIAL ITEMS.

Paragraph (2)(B) of section 26(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)) is amended—

(1) by striking out clause (i) and inserting in lieu thereof the following:

“(i) Contracts or subcontracts for the acquisition of commercial items.”; and

(2) by striking out clause (iii).

TITLE XLIII—ADDITIONAL REFORM PROVISIONS

Subtitle A—Additional Acquisition Reform Provisions

SEC. 4301. ELIMINATION OF CERTAIN CERTIFICATION REQUIREMENTS.

(a) ELIMINATION OF CERTAIN STATUTORY CERTIFICATION REQUIREMENTS.—(1) Section 2410b of title 10, United States Code, is amended in paragraph (2) by striking out “certification and”.

(2) Section 1352(b)(2) of title 31, United States Code, is amended—

(A) by striking out subparagraph (C); and
(B) by inserting “and” after the semicolon at the end of subparagraph (A).

(3) Section 5152 of the Drug-Free Workplace Act of 1988 (41 U.S.C. 701) is amended—

(A) in subsection (a)(1), by striking out “has certified to the contracting agency that it will” and inserting in lieu thereof “agrees to”;

(B) in subsection (a)(2), by striking out “contract includes a certification by the individual” and inserting in lieu thereof “individual agrees”; and

(C) in subsection (b)(1)—

(i) by striking out subparagraph (A);

(ii) by redesignating subparagraph (B) as subparagraph (A) and in that subparagraph by striking out “such certification by failing to carry out”; and

(iii) by redesignating subparagraph (C) as subparagraph (B).

(b) ELIMINATION OF CERTAIN REGULATORY CERTIFICATION REQUIREMENTS.—

(1) CURRENT CERTIFICATION REQUIREMENTS.—(A) Not later than 210 days after the date of the enactment of this Act, the Administrator for Federal Procurement Policy shall issue for public comment a proposal to amend the Federal Acquisition Regulation to remove from the Federal Acquisition Regulation certification requirements for contractors and offerors that are not specifically imposed by statute. The Administrator may omit such a certification requirement from the proposal only if—

(i) the Federal Acquisition Regulatory Council provides the Administrator with a written justification for the requirement and a determination that there is no less burdensome means for administering and enforcing the particular regulation that contains the certification requirement; and

(ii) the Administrator approves in writing the retention of the certification requirement.

(B)(i) Not later than 210 days after the date of the enactment of this Act, the head of each executive agency that has agency procurement regulations containing one or more certification requirements for contractors and offerors that are not specifically imposed by statute shall issue for public comment a proposal to amend the regulations to remove the certification requirements. The head of the executive agency may omit such a certification requirement from the proposal only if—

(I) the senior procurement executive for the executive agency provides the head of the executive agency with a written justification for the requirement and a determination that there is no less burdensome means for administering and enforcing the particular regulation that contains the certification requirement; and

(II) the head of the executive agency approves in writing the retention of such certification requirement.

(i) For purposes of clause (i), the term “head of the executive agency” with respect to a military department means the Secretary of Defense.

(2) FUTURE CERTIFICATION REQUIREMENTS.—(A) Section 29 of the Office of Federal Procurement Policy Act (41 U.S.C. 425) is amended—

(i) by amending the heading to read as follows:

“SEC. 29. CONTRACT CLAUSES AND CERTIFICATIONS.”;

(ii) by inserting “(a) NONSTANDARD CONTRACT CLAUSES.—” before “The Federal Acquisition”; and

(iii) by adding at the end the following new subsection:

“(c) PROHIBITION ON CERTIFICATION REQUIREMENTS.—(1) A requirement for a certification by a contractor or offeror may not be included in the Federal Acquisition Regulation unless—

“(A) the certification requirement is specifically imposed by statute; or

“(B) written justification for such certification requirement is provided to the Administrator for Federal Procurement Policy by the Federal Acquisition Regulatory Council, and the Administrator approves in writing the inclusion of such certification requirement.

“(2)(A) A requirement for a certification by a contractor or offeror may not be included in a procurement regulation of an executive agency unless—

“(i) the certification requirement is specifically imposed by statute; or

“(ii) written justification for such certification requirement is provided to the head of

the executive agency by the senior procurement executive of the agency, and the head of the executive agency approves in writing the inclusion of such certification requirement.

“(B) For purposes of subparagraph (A), the term ‘head of the executive agency’ with respect to a military department means the Secretary of Defense.”

(B) The item relating to section 29 in the table of contents for the Office of Federal Procurement Policy Act (contained in section 1(b)) (41 U.S.C. 401 note) is amended to read as follows:

“Sec. 29. Contract clauses and certifications.”

(c) POLICY OF CONGRESS.—Section 29 of the Office of Federal Procurement Policy Act (41 U.S.C. 425) is further amended by adding after subsection (a) the following new subsection:

“(b) CONSTRUCTION OF CERTIFICATION REQUIREMENTS.—A provision of law may not be construed as requiring a certification by a contractor or offeror in a procurement made or to be made by the Federal Government unless that provision of law specifically provides that such a certification shall be required.”

SEC. 4302. AUTHORITIES CONDITIONED ON FACNET CAPABILITY.

(a) COMMENCEMENT AND EXPIRATION OF AUTHORITY TO CONDUCT CERTAIN TESTS OF PROCUREMENT PROCEDURES.—Subsection (j) of section 5061 of the Federal Acquisition Streamlining Act of 1994 (41 U.S.C. 413 note; 108 Stat. 3355) is amended to read as follows:

“(j) COMMENCEMENT AND EXPIRATION OF AUTHORITY.—The authority to conduct a test under subsection (a) in an agency and to award contracts under such a test shall take effect on January 1, 1997, and shall expire on January 1, 2001. A contract entered into before such authority expires in an agency pursuant to a test shall remain in effect, in accordance with the terms of the contract, the notwithstanding of expiration the authority to conduct the test under this section.”

(b) USE OF SIMPLIFIED ACQUISITION PROCEDURES.—Subsection (e) of section 31 of the Office of Federal Procurement Policy Act (41 U.S.C. 427) is amended—

(1) by striking out “ACQUISITION PROCEDURES.—” and all that follows through “(B) The simplified acquisition” in paragraph (2)(B) and inserting in lieu thereof “ACQUISITION PROCEDURES.—The simplified acquisition”; and

(2) by striking out “pursuant to this section” in the remaining text and inserting in lieu thereof “pursuant to section 2304(g)(1)(A) of title 10, United States Code, section 303(g)(1)(A) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(g)(1)(A)), and subsection (a)(1) of this section”.

SEC. 4303. INTERNATIONAL COMPETITIVENESS.

(a) ADDITIONAL AUTHORITY TO WAIVE RESEARCH, DEVELOPMENT, AND PRODUCTION COSTS.—Subject to subsection (b), section 21(e)(2) of the Arms Export Control Act (22 U.S.C. 2761(e)(2)) is amended—

(1) by inserting “(A)” after “(2)”; and

(2) by adding at the end the following new subparagraphs:

“(B) The President may waive the charge or charges which would otherwise be considered appropriate under paragraph (1)(B) for a particular sale if the President determines that—

“(i) imposition of the charge or charges likely would result in the loss of the sale; or

“(ii) in the case of a sale of major defense equipment that is also being procured for the use of the Armed Forces, the waiver of the charge or charges would (through a resulting increase in the total quantity of the equipment purchased from the source of the equip-

ment that causes a reduction in the unit cost of the equipment) result in a savings to the United States on the cost of the equipment procured for the use of the Armed Forces that substantially offsets the revenue foregone by reason of the waiver of the charge or charges.

“(C) The President may waive, for particular sales of major defense equipment, any increase in a charge or charges previously considered appropriate under paragraph (1)(B) if the increase results from a correction of an estimate (reasonable when made) of the production quantity base that was used for calculating the charge or charges for purposes of such paragraph.”.

(b) CONDITIONS.—Subsection (a) shall be effective only if—

(1) the President, in the budget of the President for fiscal year 1997, proposes legislation that if enacted would be qualifying offsetting legislation; and

(2) there is enacted qualifying offsetting legislation.

(c) EFFECTIVE DATE.—If the conditions in subsection (b) are met, then the amendments made by subsection (a) shall take effect on the date of the enactment of qualifying offsetting legislation.

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

(1) The term “qualifying offsetting legislation” means legislation that includes provisions that—

(A) offset fully the estimated revenues lost as a result of the amendments made by subsection (a) for each of the fiscal years 1997 through 2005;

(B) expressly state that they are enacted for the purpose of the offset described in subparagraph (A); and

(C) are included in full on the PayGo scorecard.

(2) The term “PayGo scorecard” means the estimates that are made by the Director of the Congressional Budget Office and the Director of the Office of Management and Budget under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 4304. PROCUREMENT INTEGRITY.

(a) AMENDMENT OF PROCUREMENT INTEGRITY PROVISION.—Section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423) is amended to read as follows:

“SEC. 27. RESTRICTIONS ON DISCLOSING AND OBTAINING CONTRACTOR BID OR PROPOSAL INFORMATION OR SOURCE SELECTION INFORMATION.

“(a) PROHIBITION ON DISCLOSING PROCUREMENT INFORMATION.—(1) A person described in paragraph (2) shall not, other than as provided by law, knowingly disclose contractor bid or proposal information or source selection information before the award of a Federal agency procurement contract to which the information relates.

“(2) Paragraph (1) applies to any person who—

“(A) is a present or former official of the United States, or a person who is acting or has acted for or on behalf of, or who is advising or has advised the United States with respect to, a Federal agency procurement; and

“(B) by virtue of that office, employment, or relationship has or had access to contractor bid or proposal information or source selection information.

“(b) PROHIBITION ON OBTAINING PROCUREMENT INFORMATION.—A person shall not, other than as provided by law, knowingly obtain contractor bid or proposal information or source selection information before the award of a Federal agency procurement contract to which the information relates.

“(c) ACTIONS REQUIRED OF PROCUREMENT OFFICERS WHEN CONTACTED BY OFFERORS REGARDING NON-FEDERAL EMPLOYMENT.—(1) If

an agency official who is participating personally and substantially in a Federal agency procurement for a contract in excess of the simplified acquisition threshold contacts or is contacted by a person who is a bidder or offeror in that Federal agency procurement regarding possible non-Federal employment for that official, the official shall—

“(A) promptly report the contact in writing to the official’s supervisor and to the designated agency ethics official (or designee) of the agency in which the official is employed; and

“(B)(i) reject the possibility of non-Federal employment; or

“(ii) disqualify himself or herself from further personal and substantial participation in that Federal agency procurement until such time as the agency has authorized the official to resume participation in such procurement, in accordance with the requirements of section 208 of title 18, United States Code, and applicable agency regulations on the grounds that—

“(I) the person is no longer a bidder or offeror in that Federal agency procurement; or

“(II) all discussions with the bidder or offeror regarding possible non-Federal employment have terminated without an agreement or arrangement for employment.

“(2) Each report required by this subsection shall be retained by the agency for not less than two years following the submission of the report. All such reports shall be made available to the public upon request, except that any part of a report that is exempt from the disclosure requirements of section 552 of title 5, United States Code, under subsection (b)(1) of such section may be withheld from disclosure to the public.

“(3) An official who knowingly fails to comply with the requirements of this subsection shall be subject to the penalties and administrative actions set forth in subsection (e).

“(4) A bidder or offeror who engages in employment discussions with an official who is subject to the restrictions of this subsection, knowing that the official has not complied with subparagraph (A) or (B) of paragraph (1), shall be subject to the penalties and administrative actions set forth in subsection (e).

“(d) PROHIBITION ON FORMER OFFICIAL’S ACCEPTANCE OF COMPENSATION FROM CONTRACTOR.—(1) A former official of a Federal agency may not accept compensation from a contractor as an employee, officer, director, or consultant of the contractor within a period of one year after such former official—

“(A) served, at the time of selection of the contractor or the award of a contract to that contractor, as the procuring contracting officer, the source selection authority, a member of the source selection evaluation board, or the chief of a financial or technical evaluation team in a procurement in which that contractor was selected for award of a contract in excess of \$10,000,000;

“(B) served as the program manager, deputy program manager, or administrative contracting officer for a contract in excess of \$10,000,000 awarded to that contractor; or

“(C) personally made for the Federal agency—

“(i) a decision to award a contract, sub-contract, modification of a contract or sub-contract, or a task order or delivery order in excess of \$10,000,000 to that contractor;

“(ii) a decision to establish overhead or other rates applicable to a contract or contracts for that contractor that are valued in excess of \$10,000,000;

“(iii) a decision to approve issuance of a contract payment or payments in excess of \$10,000,000 to that contractor; or

“(iv) a decision to pay or settle a claim in excess of \$10,000,000 with that contractor.

“(2) Nothing in paragraph (1) may be construed to prohibit a former official of a Federal agency from accepting compensation from any division or affiliate of a contractor that does not produce the same or similar products or services as the entity of the contractor that is responsible for the contract referred to in subparagraph (A), (B), or (C) of such paragraph.

“(3) A former official who knowingly accepts compensation in violation of this subsection shall be subject to penalties and administrative actions as set forth in subsection (e).

“(4) A contractor who provides compensation to a former official knowing that such compensation is accepted by the former official in violation of this subsection shall be subject to penalties and administrative actions as set forth in subsection (e).

“(5) Regulations implementing this subsection shall include procedures for an official or former official of a Federal agency to request advice from the appropriate designated agency ethics official regarding whether the official or former official is or would be precluded by this subsection from accepting compensation from a particular contractor.

“(e) PENALTIES AND ADMINISTRATIVE ACTIONS.—

“(1) CRIMINAL PENALTIES.—Whoever engages in conduct constituting a violation of subsection (a) or (b) for the purpose of either—

“(A) exchanging the information covered by such subsection for anything of value, or

“(B) obtaining or giving anyone a competitive advantage in the award of a Federal agency procurement contract,

shall be imprisoned for not more than 5 years or fined as provided under title 18, United States Code, or both.

“(2) CIVIL PENALTIES.—The Attorney General may bring a civil action in an appropriate United States district court against any person who engages in conduct constituting a violation of subsection (a), (b), (c), or (d). Upon proof of such conduct by a preponderance of the evidence, the person is subject to a civil penalty. An individual who engages in such conduct is subject to a civil penalty of not more than \$50,000 for each violation plus twice the amount of compensation which the individual received or offered for the prohibited conduct. An organization that engages in such conduct is subject to a civil penalty of not more than \$500,000 for each violation plus twice the amount of compensation which the organization received or offered for the prohibited conduct.

“(3) ADMINISTRATIVE ACTIONS.—(A) If a Federal agency receives information that a contractor or a person has engaged in conduct constituting a violation of subsection (a), (b), (c), or (d), the Federal agency shall consider taking one or more of the following actions, as appropriate:

“(i) Cancellation of the Federal agency procurement, if a contract has not yet been awarded.

“(ii) Rescission of a contract with respect to which—

“(I) the contractor or someone acting for the contractor has been convicted for an offense punishable under paragraph (1), or

“(II) the head of the agency that awarded the contract has determined, based upon a preponderance of the evidence, that the contractor or someone acting for the contractor has engaged in conduct constituting such an offense.

“(iii) Initiation of suspension or debarment proceedings for the protection of the Government in accordance with procedures in the Federal Acquisition Regulation.

“(iv) Initiation of adverse personnel action, pursuant to the procedures in chapter

75 of title 5, United States Code, or other applicable law or regulation.

“(B) If a Federal agency rescinds a contract pursuant to subparagraph (A)(ii), the United States is entitled to recover, in addition to any penalty prescribed by law, the amount expended under the contract.

“(C) For purposes of any suspension or debarment proceedings initiated pursuant to subparagraph (A)(iii), engaging in conduct constituting an offense under subsection (a), (b), (c), or (d) affects the present responsibility of a Government contractor or subcontractor.

“(f) DEFINITIONS.—As used in this section:

“(1) The term ‘contractor bid or proposal information’ means any of the following information submitted to a Federal agency as part of or in connection with a bid or proposal to enter into a Federal agency procurement contract, if that information has not been previously made available to the public or disclosed publicly:

“(A) Cost or pricing data (as defined by section 2306a(h) of title 10, United States Code, with respect to procurements subject to that section, and section 304A(h) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b(h)), with respect to procurements subject to that section).

“(B) Indirect costs and direct labor rates.

“(C) Proprietary information about manufacturing processes, operations, or techniques marked by the contractor in accordance with applicable law or regulation.

“(D) Information marked by the contractor as ‘contractor bid or proposal information’, in accordance with applicable law or regulation.

“(2) The term ‘source selection information’ means any of the following information prepared for use by a Federal agency for the purpose of evaluating a bid or proposal to enter into a Federal agency procurement contract, if that information has not been previously made available to the public or disclosed publicly:

“(A) Bid prices submitted in response to a Federal agency solicitation for sealed bids, or lists of those bid prices before public bid opening.

“(B) Proposed costs or prices submitted in response to a Federal agency solicitation, or lists of those proposed costs or prices.

“(C) Source selection plans.

“(D) Technical evaluation plans.

“(E) Technical evaluations of proposals.

“(F) Cost or price evaluations of proposals.

“(G) Competitive range determinations that identify proposals that have a reasonable chance of being selected for award of a contract.

“(H) Rankings of bids, proposals, or competitors.

“(I) The reports and evaluations of source selection panels, boards, or advisory councils.

“(J) Other information marked as ‘source selection information’ based on a case-by-case determination by the head of the agency, his designee, or the contracting officer that its disclosure would jeopardize the integrity or successful completion of the Federal agency procurement to which the information relates.

“(3) The term ‘Federal agency’ has the meaning provided such term in section 3 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472).

“(4) The term ‘Federal agency procurement’ means the acquisition (by using competitive procedures and awarding a contract) of goods or services (including construction) from non-Federal sources by a Federal agency using appropriated funds.

“(5) The term ‘contracting officer’ means a person who, by appointment in accordance with applicable regulations, has the author-

ity to enter into a Federal agency procurement contract on behalf of the Government and to make determinations and findings with respect to such a contract.

“(6) The term ‘protest’ means a written objection by an interested party to the award or proposed award of a Federal agency procurement contract, pursuant to subchapter V of chapter 35 of title 31, United States Code.

“(7) The term ‘official’ means the following:

“(A) An officer, as defined in section 2104 of title 5, United States Code.

“(B) An employee, as defined in section 2105 of title 5, United States Code.

“(C) A member of the uniformed services, as defined in section 2101(3) of title 5, United States Code.

“(g) LIMITATION ON PROTESTS.—No person may file a protest against the award or proposed award of a Federal agency procurement contract alleging a violation of subsection (a), (b), (c), or (d), nor may the Comptroller General of the United States consider such an allegation in deciding a protest, unless that person reported to the Federal agency responsible for the procurement, no later than 14 days after the person first discovered the possible violation, the information that the person believed constitutes evidence of the offense.

“(h) SAVINGS PROVISIONS.—This section does not—

“(1) restrict the disclosure of information to, or its receipt by, any person or class of persons authorized, in accordance with applicable agency regulations or procedures, to receive that information;

“(2) restrict a contractor from disclosing its own bid or proposal information or the recipient from receiving that information;

“(3) restrict the disclosure or receipt of information relating to a Federal agency procurement after it has been canceled by the Federal agency before contract award unless the Federal agency plans to resume the procurement;

“(4) prohibit individual meetings between a Federal agency official and an offeror or potential offeror for, or a recipient of, a contract or subcontract under a Federal agency procurement, provided that unauthorized disclosure or receipt of contractor bid or proposal information or source selection information does not occur;

“(5) authorize the withholding of information from, nor restrict its receipt by, Congress, a committee or subcommittee of Congress, the Comptroller General, a Federal agency, or an inspector general of a Federal agency;

“(6) authorize the withholding of information from, nor restrict its receipt by, the Comptroller General of the United States in the course of a protest against the award or proposed award of a Federal agency procurement contract; or

“(7) limit the applicability of any requirements, sanctions, contract penalties, and remedies established under any other law or regulation.”.

(b) REPEALS.—The following provisions of law are repealed:

(1) Sections 2397, 2397a, 2397b, and 2397c of title 10, United States Code.

(2) Section 33 of the Federal Energy Administration Act of 1974 (15 U.S.C. 789).

(3) Section 281 of title 18, United States Code.

(4) Subsection (c) of section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428).

(5) The first section 19 of the Federal Non-nuclear Energy Research and Development Act of 1974 (42 U.S.C. 5918).

(6) Part A of title VI of the Department of Energy Organization Act and its catchline (42 U.S.C. 7211, 7212, and 7218).

(7) Section 308 of the Energy Research and Development Administration Appropriation Authorization Act for Fiscal Year 1977 (42 U.S.C. 5816a).

(8) Section 522 of the Energy Policy and Conservation Act (42 U.S.C. 6392).

(c) CLERICAL AMENDMENTS.—

(1) The table of sections at the beginning of chapter 141 of title 10, United States Code, is amended by striking out the items relating to sections 2397, 2397a, 2397b, and 2397c.

(2) The table of sections at the beginning of chapter 15 of title 18, United States Code, is amended by striking out the item relating to section 281.

(3) Section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428) is amended by redesignating subsections (d), (e), (f), and (g) as subsections (c), (d), (e), and (f), respectively.

(4) The table of contents for the Department of Energy Organization Act is amended by striking out the items relating to part A of title VI including sections 601 through 603.

(5) The table of contents for the Energy Policy and Conservation Act is amended by striking out the item relating to section 522.

SEC. 4305. FURTHER ACQUISITION STREAM-LINING PROVISIONS.

(a) PURPOSE OF OFFICE OF FEDERAL PROCUREMENT POLICY.—

(1) REVISED STATEMENT OF PURPOSE.—Section 5(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 404) is amended to read as follows:

“(a) There is in the Office of Management and Budget an Office of Federal Procurement Policy (hereinafter referred to as the ‘Office’) to provide overall direction of Government-wide procurement policies, regulations, procedures, and forms for executive agencies and to promote economy, efficiency, and effectiveness in the procurement of property and services by the executive branch of the Federal Government.”.

(2) REPEAL OF FINDINGS, POLICIES, AND PURPOSES.—Sections 2 and 3 of such Act (41 U.S.C. 401 and 402) are repealed.

(b) REPEAL OF REPORT REQUIREMENT.—Section 8 of the Office of Federal Procurement Policy Act (41 U.S.C. 407) is repealed.

(c) OBSOLETE PROVISIONS.—

(1) RELATIONSHIP TO FORMER REGULATIONS.—Section 10 of the Office of Federal Procurement Policy Act (41 U.S.C. 409) is repealed.

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 11 of such Act (41 U.S.C. 410) is amended to read as follows:

“SEC. 11. AUTHORIZATION OF APPROPRIATIONS.

“There is authorized to be appropriated for the Office of Federal Procurement Policy each fiscal year such sums as may be necessary for carrying out the responsibilities of that office for such fiscal year.”.

(d) CLERICAL AMENDMENTS.—The table of contents for the Office of Federal Procurement Policy Act (contained in section 1(b)) is amended by striking out the items relating to sections 2, 3, 8, and 10.

SEC. 4306. VALUE ENGINEERING FOR FEDERAL AGENCIES.

(a) USE OF VALUE ENGINEERING.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 4203, is further amended by adding at the end the following new section:

“SEC. 36. VALUE ENGINEERING.

“(a) IN GENERAL.—Each executive agency shall establish and maintain cost-effective value engineering procedures and processes.

“(b) DEFINITION.—As used in this section, the term ‘value engineering’ means an analysis of the functions of a program, project, system, product, item of equipment, building, facility, service, or supply of an executive agency, performed by qualified agency or contractor personnel, directed at improv-

ing performance, reliability, quality, safety, and life cycle costs.”

(b) CLERICAL AMENDMENT.—The table of contents for such Act, contained in section 1(b), is amended by adding at the end the following new item:

“Sec. 36. Value engineering.”

SEC. 4307. ACQUISITION WORKFORCE.

(a) ACQUISITION WORKFORCE.—(1) The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 4306, is further amended by adding at the end the following new section:

“SEC. 37. ACQUISITION WORKFORCE.

“(a) APPLICABILITY.—This section does not apply to an executive agency that is subject to chapter 87 of title 10, United States Code.

“(b) MANAGEMENT POLICIES.—

“(1) POLICIES AND PROCEDURES.—The head of each executive agency, after consultation with the Administrator for Federal Procurement Policy, shall establish policies and procedures for the effective management (including accession, education, training, career development, and performance incentives) of the acquisition workforce of the agency. The development of acquisition workforce policies under this section shall be carried out consistent with the merit system principles set forth in section 2301(b) of title 5, United States Code.

“(2) UNIFORM IMPLEMENTATION.—The head of each executive agency shall ensure that, to the maximum extent practicable, acquisition workforce policies and procedures established are uniform in their implementation throughout the agency.

“(3) GOVERNMENT-WIDE POLICIES AND EVALUATION.—The Administrator shall issue policies to promote uniform implementation of this section by executive agencies, with due regard for differences in program requirements among agencies that may be appropriate and warranted in view of the agency mission. The Administrator shall coordinate with the Deputy Director for Management of the Office of Management and Budget to ensure that such policies are consistent with the policies and procedures established and enhanced system of incentives provided pursuant to section 5051(c) of the Federal Acquisition Streamlining Act of 1994 (41 U.S.C. 263 note). The Administrator shall evaluate the implementation of the provisions of this section by executive agencies.

“(c) SENIOR PROCUREMENT EXECUTIVE AUTHORITIES AND RESPONSIBILITIES.—Subject to the authority, direction, and control of the head of an executive agency, the senior procurement executive of the agency shall carry out all powers, functions, and duties of the head of the agency with respect to implementation of this section. The senior procurement executive shall ensure that the policies of the head of the executive agency established in accordance with this section are implemented throughout the agency.

“(d) MANAGEMENT INFORMATION SYSTEMS.—The Administrator shall ensure that the heads of executive agencies collect and maintain standardized information on the acquisition workforce related to implementation of this section. To the maximum extent practicable, such data requirements shall conform to standards established by the Office of Personnel Management for the Central Personnel Data File.

“(e) APPLICABILITY TO ACQUISITION WORKFORCE.—The programs established by this section shall apply to the acquisition workforce of each executive agency. For purposes of this section, the acquisition workforce of an agency consists of all employees serving in acquisition positions listed in subsection (g)(1)(A).

“(f) CAREER DEVELOPMENT.—

“(1) CAREER PATHS.—The head of each executive agency shall ensure that appropriate

career paths for personnel who desire to pursue careers in acquisition are identified in terms of the education, training, experience, and assignments necessary for career progression to the most senior acquisition positions. The head of each executive agency shall make information available on such career paths.

“(2) CRITICAL DUTIES AND TASKS.—For each career path, the head of each executive agency shall identify the critical acquisition-related duties and tasks in which, at minimum, employees of the agency in the career path shall be competent to perform at full performance grade levels. For this purpose, the head of the executive agency shall provide appropriate coverage of the critical duties and tasks identified by the Director of the Federal Acquisition Institute.

“(3) MANDATORY TRAINING AND EDUCATION.—For each career path, the head of each executive agency shall establish requirements for the completion of course work and related on-the-job training in the critical acquisition-related duties and tasks of the career path. The head of each executive agency shall also encourage employees to maintain the currency of their acquisition knowledge and generally enhance their knowledge of related acquisition management disciplines through academic programs and other self-developmental activities.

“(4) PERFORMANCE INCENTIVES.—The head of each executive agency shall provide for an enhanced system of incentives for the encouragement of excellence in the acquisition workforce which rewards performance of employees that contribute to achieving the agency’s performance goals. The system of incentives shall include provisions that—

“(A) relate pay to performance (including the extent to which the performance of personnel in such workforce contributes to achieving the cost goals, schedule goals, and performance goals established for acquisition programs pursuant to section 313(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 263(b))); and

“(B) provide for consideration, in personnel evaluations and promotion decisions, of the extent to which the performance of personnel in such workforce contributes to achieving such cost goals, schedule goals, and performance goals.

“(g) QUALIFICATION REQUIREMENTS.—

“(1) IN GENERAL.—(A) Subject to paragraph (2), the Administrator shall establish qualification requirements, including education requirements, for the following positions:

“(i) Entry-level positions in the General Schedule Contracting series (GS-1102).

“(ii) Senior positions in the General Schedule Contracting series (GS-1102).

“(iii) All positions in the General Schedule Purchasing series (GS-1105).

“(iv) Positions in other General Schedule series in which significant acquisition-related functions are performed.

“(B) Subject to paragraph (2), the Administrator shall prescribe the manner and extent to which such qualification requirements shall apply to any person serving in a position described in subparagraph (A) at the time such requirements are established.

“(2) RELATIONSHIP TO REQUIREMENTS APPLICABLE TO DEFENSE ACQUISITION WORKFORCE.—The Administrator shall establish qualification requirements and make prescriptions under paragraph (1) that are comparable to those established for the same or equivalent positions pursuant to chapter 87 of title 10, United States Code, with appropriate modifications.

“(3) APPROVAL OF REQUIREMENTS.—The Administrator shall submit any requirement established or prescription made under paragraph (1) to the Director of the Office of Personnel Management for approval. If the Director does not disapprove a requirement or

prescription within 30 days after the date on which the Director receives it, the requirement or prescription is deemed to be approved by the Director.

“(h) EDUCATION AND TRAINING.—

“(1) FUNDING LEVELS.—(A) The head of an executive agency shall set forth separately the funding levels requested for education and training of the acquisition workforce in the budget justification documents submitted in support of the President’s budget submitted to Congress under section 1105 of title 31, United States Code.

“(B) Funds appropriated for education and training under this section may not be obligated for any other purpose.

“(2) TUITION ASSISTANCE.—The head of an executive agency may provide tuition reimbursement in education (including a full-time course of study leading to a degree) in accordance with section 4107 of title 5, United States Code, for personnel serving in acquisition positions in the agency.”

(2) The table of contents for such Act, contained in section 1(b), is amended by adding at the end the following new item:

“Sec. 37. Acquisition workforce.”

(b) ADDITIONAL AMENDMENTS.—Section 6(d) of the Office of Federal Procurement Policy Act (41 U.S.C. 405), is amended—

(1) by redesignating paragraphs (6), (7), (8), (9), (10), (11), and (12) (as transferred by section 4321(h)(1)) as paragraphs (7), (8), (9), (10), (11), (12), and (13), respectively;

(2) in paragraph (5)—

(A) in subparagraph (A), by striking out “Government-wide career management programs for a professional procurement workforce” and inserting in lieu thereof “the development of a professional acquisition workforce Government-wide”; and

(B) in subparagraph (B)—

(i) by striking out “procurement by the” and inserting in lieu thereof “acquisition by the”;

(ii) by striking out “and” at the end of the subparagraph; and

(iii) by striking out subparagraph (C) and inserting in lieu thereof the following:

“(C) collect data and analyze acquisition workforce data from the Office of Personnel Management, the heads of executive agencies, and, through periodic surveys, from individual employees;

“(D) periodically analyze acquisition career fields to identify critical competencies, duties, tasks, and related academic prerequisites, skills, and knowledge;

“(E) coordinate and assist agencies in identifying and recruiting highly qualified candidates for acquisition fields;

“(F) develop instructional materials for acquisition personnel in coordination with private and public acquisition colleges and training facilities;

“(G) evaluate the effectiveness of training and career development programs for acquisition personnel;

“(H) promote the establishment and utilization of academic programs by colleges and universities in acquisition fields;

“(I) facilitate, to the extent requested by agencies, interagency intern and training programs; and

“(J) perform other career management or research functions as directed by the Administrator.”; and

(3) by inserting before paragraph (7) (as so redesignated) the following new paragraph (6):

“(6) administering the provisions of section 37.”

SEC. 4308. DEMONSTRATION PROJECT RELATING TO CERTAIN PERSONNEL MANAGEMENT POLICIES AND PROCEDURES.

(a) COMMENCEMENT.—The Secretary of Defense is encouraged to take such steps as

may be necessary to provide for the commencement of a demonstration project, the purpose of which would be to determine the feasibility or desirability of one or more proposals for improving the personnel management policies or procedures that apply with respect to the acquisition workforce of the Department of Defense.

(b) **TERMS AND CONDITIONS.**—

(1) **IN GENERAL.**—Except as otherwise provided in this subsection, any demonstration project described in subsection (a) shall be subject to section 4703 of title 5, United States Code, and all other provisions of such title that apply with respect to any demonstration project under such section.

(2) **EXCEPTIONS.**—Subject to paragraph (3), in applying section 4703 of title 5, United States Code, with respect to a demonstration project described in subsection (a)—

(A) “180 days” in subsection (b)(4) of such section shall be deemed to read “120 days”;

(B) “90 days” in subsection (b)(6) of such section shall be deemed to read “30 days”;

(C) subsection (d)(1)(A) of such section shall be disregarded.

(3) **CONDITION.**—Paragraph (2) shall not apply with respect to a demonstration project unless it—

(A) involves only the acquisition workforce of the Department of Defense (or any part thereof); and

(B) commences during the 3-year period beginning on the date of the enactment of this Act.

(c) **DEFINITION.**—For purposes of this section, the term “acquisition workforce” refers to the persons serving in acquisition positions within the Department of Defense, as designated pursuant to section 1721(a) of title 10, United States Code.

SEC. 4309. COOPERATIVE PURCHASING.

(a) **DELAY IN OPENING CERTAIN FEDERAL SUPPLY SCHEDULES TO USE BY STATE, LOCAL, AND INDIAN TRIBAL GOVERNMENTS.**—The Administrator of General Services may not use the authority of section 201(b)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(b)(2)) to provide for the use of Federal supply schedules of the General Services Administration until after the later of—

(1) the date on which the 18-month period beginning on the date of the enactment of this Act expires; or

(2) the date on which all of the following conditions are met:

(A) The Administrator has considered the report of the Comptroller General required by subsection (b).

(B) The Administrator has submitted comments on such report to Congress as required by subsection (c).

(C) A period of 30 days after the date of submission of such comments to Congress has expired.

(b) **REPORT.**—Not later than one year after the date of the enactment of this Act, the Comptroller General shall submit to the Administrator of General Services and to Congress a report on the implementation of section 201(b) of the Federal Property and Administrative Services Act of 1949. The report shall include the following:

(1) An assessment of the effect on industry, including small businesses and local dealers, of providing for the use of Federal supply schedules by the entities described in section 201(b)(2)(A) of the Federal Property and Administrative Services Act of 1949.

(2) An assessment of the effect on such entities of providing for the use of Federal supply schedules by them.

(c) **COMMENTS ON REPORT BY ADMINISTRATOR.**—Not later than 30 days after receiving the report of the Comptroller General required by subsection (b), the Administrator

of General Services shall submit to Congress comments on the report, including the Administrator’s comments on whether the Administrator plans to provide any Federal supply schedule for the use of any entity described in section 201(b)(2)(A) of the Federal Property and Administrative Services Act of 1949.

(d) **CALCULATION OF 30-DAY PERIOD.**—For purposes of subsection (a)(2)(C), the calculation of the 30-day period shall exclude Saturdays, Sundays, and holidays, and any day on which neither House of Congress is in session because of an adjournment sine die, a recess of more than 3 days, or an adjournment of more than 3 days.

SEC. 4310. PROCUREMENT NOTICE TECHNICAL AMENDMENT.

Section 18(c)(1)(E) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(c)(1)(E)) is amended by inserting after “requirements contract” the following: “, a task order contract, or a delivery order contract”.

SEC. 4311. MICRO-PURCHASES WITHOUT COMPETITIVE QUOTATIONS.

Section 32(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 428), as redesignated by section 4304(c)(3), is amended by striking out “the contracting officer” and inserting in lieu thereof “an employee of an executive agency or a member of the Armed Forces of the United States authorized to do so”.

Subtitle B—Technical Amendments

SEC. 4321. AMENDMENTS RELATED TO FEDERAL ACQUISITION STREAMLINING ACT OF 1994.

(a) **PUBLIC LAW 103-355.**—Effective as of October 13, 1994, and as if included therein as enacted, the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355; 108 Stat. 3243 et seq.) is amended as follows:

(1) Section 1073 (108 Stat. 3271) is amended by striking out “section 3031” and inserting in lieu thereof “section 303K”.

(2) Section 1202(a) (108 Stat. 3274) is amended by striking out the closing quotation marks and second period at the end of paragraph (2)(B) of the subsection inserted by the amendment made by that section.

(3) Section 1251(b) (108 Stat. 3284) is amended by striking out “Office of Federal Procurement Policy Act” and inserting in lieu thereof “Federal Property and Administrative Services Act of 1949”.

(4) Section 2051(e) (108 Stat. 3304) is amended by striking out the closing quotation marks and second period at the end of subsection (f)(3) in the matter inserted by the amendment made by that section.

(5) Section 2101(a)(6)(B)(ii) (108 Stat. 3308) is amended by replacing “regulation” with “regulations” in the first quoted matter.

(6) Section 2351(a) (108 Stat. 3322) is amended by inserting “(1)” before “Section 6”.

(7) The heading of section 2352(b) (108 Stat. 3322) is amended by striking out “PROCEDURES TO SMALL BUSINESS GOVERNMENT CONTRACTORS.—” and inserting in lieu thereof “PROCEDURES.—”.

(8) Section 3022 (108 Stat. 3333) is amended by striking out “each place” and all that follows through the end of the section and inserting in lieu thereof “in paragraph (1) and ‘rent,’ after ‘sell’ in paragraph (2).”.

(9) Section 5092(b) (108 Stat. 3362) is amended by inserting “of paragraph (2)” after “second sentence”.

(10) Section 6005(a) (108 Stat. 3364) is amended by striking out the closing quotation marks and second period at the end of subsection (e)(2) of the matter inserted by the amendment made by that section.

(11) Section 10005(f)(4) (108 Stat. 3409) is amended in the second matter in quotation marks by striking out “‘SEC. 5. This Act”

and inserting in lieu thereof “‘SEC. 7. This title”.

(b) **TITLE 10, UNITED STATES CODE.**—Title 10, United States Code, is amended as follows:

(1) Section 2220(b) is amended by striking out “the date of the enactment of the Federal Acquisition Streamlining Act of 1994” and inserting in lieu thereof “October 13, 1994”.

(2)(A) The section 2247 added by section 7202(a)(1) of Public Law 103-355 (108 Stat. 3379) is redesignated as section 2249.

(B) The item relating to that section in the table of sections at the beginning of subchapter I of chapter 134 is revised to conform to the redesignation made by subparagraph (A).

(3) Section 2302(3)(K) is amended by adding a period at the end.

(4) Section 2304(f)(2)(D) is amended by striking out “the Act of June 25, 1938 (41 U.S.C. 46 et seq.), popularly referred to as the Wagner-O’Day Act,” and inserting in lieu thereof “the Javits-Wagner-O’Day Act (41 U.S.C. 46 et seq.).”.

(5) Section 2304(h) is amended by striking out paragraph (1) and inserting in lieu thereof the following:

“(1) The Walsh-Healey Act (41 U.S.C. 35 et seq.).”.

(6)(A) The section 2304a added by section 848(a)(1) of Public Law 103-160 (107 Stat. 1724) is redesignated as section 2304e.

(B) The item relating to that section in the table of sections at the beginning of chapter 137 is revised to conform to the redesignation made by subparagraph (A).

(7) Section 2306a is amended—

(A) in subsection (d)(2)(A)(ii), by inserting “to” after “The information referred”;

(B) in subsection (e)(4)(B)(ii), by striking out the second comma after “parties”; and

(C) in subsection (i)(3), by inserting “(41 U.S.C. 403(12))” before the period at the end.

(8) Section 2323 is amended—

(A) in subsection (a)(1)(C), by inserting a closing parenthesis after “1135d-5(3))” and after “1059c(b)(1))”;

(B) in subsection (a)(3), by striking out “(issued under)” and all that follows through “421(c))”;

(C) in subsection (b), by inserting “(1)” after “AMOUNT.—”; and

(D) in subsection (i)(3), by adding at the end a subparagraph (D) identical to the subparagraph (D) set forth in the amendment made by section 811(e) of Public Law 103-160 (107 Stat. 1702).

(9) Section 2324 is amended—

(A) in subsection (e)(2)(C)—

(i) by striking out “awarding the contract” at the end of the first sentence; and

(ii) by striking out “title III” and all that follows through “Act”) and inserting in lieu thereof “the Buy American Act (41 U.S.C. 10b-1)”; and

(B) in subsection (h)(2), by inserting “the head of the agency or” after “in the case of any contract if”.

(10) Section 2350b is amended—

(A) in subsection (c)(1)—

(i) by striking out “specifically—” and inserting in lieu thereof “specifically prescribes—”; and

(ii) by striking out “prescribe” in each of subparagraphs (A), (B), (C), and (D); and

(B) in subsection (d)(1), by striking out “subcontract to be” and inserting in lieu thereof “subcontract be”.

(11) Section 2372(i)(1) is amended by striking out “section 2324(m)” and inserting in lieu thereof “section 2324(l)”.

(12) Section 2384(b) is amended—

(A) in paragraph (2)—

(i) by striking “items, as” and inserting in lieu thereof “items (as);” and

(ii) by inserting a closing parenthesis after “403(12))”; and

(B) in paragraph (3), by inserting a closing parenthesis after "403(11)".

(13) Section 2400(a)(5) is amended by striking out "the preceding sentence" and inserting in lieu thereof "this paragraph".

(14) Section 2405 is amended—

(A) in paragraphs (1) and (2) of subsection (a), by striking out "the date of the enactment of the Federal Acquisition Streamlining Act of 1994" and inserting in lieu thereof "October 13, 1994"; and

(B) in subsection (c)(3)—

(i) by striking out "the later of—" and all that follows through "(B)"; and

(ii) by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively, and realigning those subparagraphs accordingly.

(15) Section 2410d(b) is amended by striking out paragraph (3).

(16) Section 2410g(d)(1) is amended by inserting before the period at the end the following: "(as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)))".

(17) Section 2424(c) is amended—

(A) by inserting "EXCEPTION.—" after "(c)"; and

(B) by striking out "drink" the first and third places it appears in the second sentence and inserting in lieu thereof "beverage".

(18) Section 2431 is amended—

(A) in subsection (b)—

(i) by striking out "Any report" in the first sentence and inserting in lieu thereof "Any documents"; and

(ii) by striking out "the report" in paragraph (3) and inserting in lieu thereof "the documents"; and

(B) in subsection (c), by striking "reporting" and inserting in lieu thereof "documentation".

(19) Section 2461(e)(1) is amended by striking out "the Act of June 25, 1938 (41 U.S.C. 47), popularly referred to as the Wagner-O'Day Act" and inserting in lieu thereof "the Javits-Wagner-O'Day Act (41 U.S.C. 47)".

(20) Section 2533(a) is amended by striking out "title III of the Act" and all that follows through "such Act" and inserting in lieu thereof "the Buy American Act (41 U.S.C. 10a) whether application of such Act".

(21) Section 2662(b) is amended by striking out "small purchase threshold" and inserting in lieu thereof "simplified acquisition threshold".

(22) Section 2701(i)(1) is amended—

(A) by striking out "Act of August 24, 1935 (40 U.S.C. 270a-270d), commonly referred to as the Miller Act," and inserting in lieu thereof "Miller Act (40 U.S.C. 270a et seq.)"; and

(B) by striking out "such Act of August 24, 1935" and inserting in lieu thereof "the Miller Act".

(c) SMALL BUSINESS ACT.—The Small Business Act (15 U.S.C. 632 et seq.) is amended as follows:

(1) Section 8(d) (15 U.S.C. 637(d)) is amended—

(A) in paragraph (1), by striking out the second comma after "small business concerns" the first place it appears; and

(B) in paragraph (6)(C), by striking out "and small business concerns owned and controlled by the socially and economically disadvantaged individuals" and inserting in lieu thereof "small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women".

(2) Section 8(f) (15 U.S.C. 637(f)) is amended by inserting "and" after the semicolon at the end of paragraph (5).

(3) Section 15(g)(2) (15 U.S.C. 644(g)(2)) is amended by striking out the second comma

after the first appearance of "small business concerns".

(d) TITLE 31, UNITED STATES CODE.—Title 31, United States Code, is amended as follows:

(1) Section 3551 is amended—

(A) by striking out "subchapter—" and inserting in lieu thereof "subchapter:"; and

(B) in paragraph (2), by striking out "or proposed contract" and inserting in lieu thereof "or a solicitation or other request for offers".

(2) Section 3553(b)(3) is amended by striking out "3554(a)(3)" and inserting in lieu thereof "3554(a)(4)".

(3) Section 3554(b)(2) is amended by striking out "section 3553(d)(2)(A)(i)" and inserting in lieu thereof "section 3553(d)(3)(C)(i)(I)".

(e) FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.—The Federal Property and Administrative Services Act of 1949 is amended as follows:

(1) The table of contents in section 1 (40 U.S.C. 471 prec.) is amended—

(A) by striking out the item relating to section 104;

(B) by striking out the item relating to section 201 and inserting in lieu thereof the following:

"Sec. 201. Procurements, warehousing, and related activities.";

(C) by inserting after the item relating to section 315 the following new item:

"Sec. 316. Merit-based award of grants for research and development.";

(D) by striking out the item relating to section 603 and inserting in lieu thereof the following:

"Sec. 603. Authorizations for appropriations and transfer authority.";

and

(E) by inserting after the item relating to section 605 the following new item:

"Sec. 606. Sex discrimination.".

(2) Section 303(f)(2)(D) (41 U.S.C. 253(f)(2)(D)) is amended by striking out "the Act of June 25, 1938 (41 U.S.C. 46 et seq.), popularly referred to as the Wagner-O'Day Act," and inserting in lieu thereof "the Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.)".

(3) The heading for paragraph (1) of section 304A(c) (41 U.S.C. 254b(c)) is amended by changing each letter that is capitalized (other than the first letter of the first word) to lower case.

(4) Subsection (d)(2)(A)(ii) of section 304A (41 U.S.C. 254b) is amended by inserting "to" after "The information referred".

(5) Section 304C(a)(2) is amended by striking out "section 304B" and inserting in lieu thereof "section 304A".

(6) Section 307(b) is amended by striking out "section 305(c)" and inserting in lieu thereof "section 305(d)".

(7) The heading for section 314A (41 U.S.C. 264a) is amended to read as follows:

"SEC. 314A. DEFINITIONS RELATING TO PROCUREMENT OF COMMERCIAL ITEMS."

(8) Section 315(b) (41 U.S.C. 265(b)) is amended by striking out "inspector general" both places it appears and inserting in lieu thereof "Inspector General".

(9) The heading for section 316 (41 U.S.C. 266) is amended by inserting at the end a period.

(f) WALSH-HEALEY ACT.—

(1) The Walsh-Healey Act (41 U.S.C. 35 et seq.) is amended—

(A) by transferring the second section 11 (as added by section 7201(4) of Public Law 103-355) so as to appear after section 10; and

(B) by redesignating the three sections following such section 11 (as so transferred) as sections 12, 13, and 14.

(2) Such Act is further amended in section 10—

(A) in subsection (b), by striking out "section 1(b)" and inserting in lieu thereof "section 1(a)"; and

(B) in subsection (c), by striking out the comma after "locality".

(g) ANTI-KICKBACK ACT OF 1986.—Section 7(d) of the Anti-Kickback Act of 1986 (41 U.S.C. 57(d)) is amended—

(1) by striking out "such Act" and inserting in lieu thereof "the Office of Federal Procurement Policy Act"; and

(2) by striking out the second period at the end.

(h) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended as follows:

(1) Section 6 (41 U.S.C. 405) is amended by transferring paragraph (12) of subsection (d) (as such paragraph was redesignated by section 5091(2) of the Federal Acquisition Streamlining Act of 1994 (P.L. 103-355; 108 Stat. 3361)) to the end of that subsection.

(2) Section 6(11) (41 U.S.C. 405(11)) is amended by striking out "small business" and inserting in lieu thereof "small businesses".

(3) Section 18(b) (41 U.S.C. 416(b)) is amended by inserting "and" after the semicolon at the end of paragraph (5).

(4) Section 26(f)(3) (41 U.S.C. 422(f)(3)) is amended in the first sentence by striking out "Not later than 180 days after the date of enactment of this section, the Administrator" and inserting in lieu thereof "The Administrator".

(i) OTHER LAWS.—

(1) The National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160) is amended as follows:

(A) Section 126(c) (107 Stat. 1567) is amended by striking out "section 2401 of title 10, United States Code, or section 9081 of the Department of Defense Appropriations Act, 1990 (10 U.S.C. 2401 note)," and inserting in lieu thereof "section 2401 or 2401a of title 10, United States Code.".

(B) Section 127 (107 Stat. 1568) is amended—

(i) in subsection (a), by striking out "section 2401 of title 10, United States Code, or section 9081 of the Department of Defense Appropriations Act, 1990 (10 U.S.C. 2401 note)," and inserting in lieu thereof "section 2401 or 2401a of title 10, United States Code."; and

(ii) in subsection (e), by striking out "section 9081 of the Department of Defense Appropriations Act, 1990 (10 U.S.C. 2401 note)," and inserting in lieu thereof "section 2401a of title 10, United States Code.".

(2) The National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189) is amended by striking out section 824.

(3) Section 117 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100-456; 10 U.S.C. 2431 note) is amended by striking out subsection (c).

(4) The National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100-180) is amended by striking out section 825 (10 U.S.C. 2432 note).

(5) Section 11 of Public Law 101-552 (5 U.S.C. 581 note) is amended by inserting "under" before "the amendments made by this Act".

(6) The last sentence of section 6 of the Federal Power Act (16 U.S.C. 799) is repealed.

(7) Section 101(a)(11)(A) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(11)(A)) is amended by striking out "the Act entitled 'An Act to create a Committee on Purchases of Blind-made Products, and for other purposes', approved June 25, 1938 (commonly known as the Wagner-O'Day Act; 41 U.S.C. 46 et seq.)" and inserting in lieu thereof "the

Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.)".

(8) The first section 5 of the Miller Act (40 U.S.C. 270a note) is redesignated as section 7 and, as so redesignated, is transferred to the end of that Act.

(9) Section 3737(g) of the Revised Statutes of the United States (41 U.S.C. 15(g)) is amended by striking out "rights of obligations" and inserting in lieu thereof "rights or obligations".

(10) The Act of June 15, 1940 (41 U.S.C. 20a; Chapter 367; 54 Stat. 398), is repealed.

(11) The Act of November 28, 1943 (41 U.S.C. 20b; Chapter 328; 57 Stat. 592), is repealed.

(12) Section 3741 of the Revised Statutes of the United States (41 U.S.C. 22), as amended by section 6004 of Public Law 103-355 (108 Stat. 3364), is amended by striking out "No member" and inserting in lieu thereof "SEC. 3741. No Member".

(13) Section 5152(a)(1) of the Drug-Free Workplace Act of 1988 (41 U.S.C. 701(a)(1)) is amended by striking out "as defined in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403)" and inserting in lieu thereof "(as defined in section 4(12) of such Act (41 U.S.C. 403(12)))".

SEC. 4322. MISCELLANEOUS AMENDMENTS TO FEDERAL ACQUISITION LAWS.

(a) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended as follows:

(1) Section 6(b) (41 U.S.C. 405(b)) is amended by striking out the second comma after "under subsection (a)" in the first sentence.

(2) Section 25(b)(2) (41 U.S.C. 421(b)(2)) is amended by striking out "Under Secretary of Defense for Acquisition" and inserting in lieu thereof "Under Secretary of Defense for Acquisition and Technology".

(b) OTHER LAWS.—

(1) Section 11(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by striking out the second comma after "Community Service".

(2) Section 908(e) of the Defense Acquisition Improvement Act of 1986 (10 U.S.C. 2326 note) is amended by striking out "section 2325(g)" and inserting in lieu thereof "section 2326(g)".

(3) Effective as of August 9, 1989, and as if included therein as enacted, Public Law 101-73 is amended in section 501(b)(1)(A) (103 Stat. 393) by striking out "be," and inserting in lieu thereof "be;" in the second quoted matter therein.

(4) Section 3732(a) of the Revised Statutes of the United States (41 U.S.C. 11(a)) is amended by striking out the second comma after "quarters".

(5) Section 2 of the Contract Disputes Act of 1978 (41 U.S.C. 601) is amended in paragraphs (3), (5), (6), and (7), by striking out "The" and inserting in lieu thereof "the".

(6) Section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605) is amended in subsections (d) and (e) by inserting after "United States Code" each place it appears the following: "(as in effect on September 30, 1995)".

(7) Section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612) is amended—

(A) in subsection (a), by striking out "section 1302 of the Act of July 27, 1956, (70 Stat. 694, as amended; 31 U.S.C. 724a)" and inserting in lieu thereof "section 1304 of title 31, United States Code"; and

(B) in subsection (c), by striking out "section 1302 of the Act of July 27, 1956, (70 Stat. 694, as amended; 31 U.S.C. 724a)" and inserting in lieu thereof "section 1304 of title 31, United States Code,".

TITLE XLIV—EFFECTIVE DATES AND IMPLEMENTATION

SEC. 4401. EFFECTIVE DATE AND APPLICABILITY.

(a) EFFECTIVE DATE.—Except as otherwise provided in this division, this division and

the amendments made by this division shall take effect on the date of the enactment of this Act.

(b) APPLICABILITY OF AMENDMENTS.—

(1) SOLICITATIONS, UNSOLICITED PROPOSALS, AND RELATED CONTRACTS.—An amendment made by this division shall apply, in the manner prescribed in the final regulations promulgated pursuant to section 4402 to implement such amendment, with respect to any solicitation that is issued, any unsolicited proposal that is received, and any contract entered into pursuant to such a solicitation or proposal, on or after the date described in paragraph (3).

(2) OTHER MATTERS.—An amendment made by this division shall also apply, to the extent and in the manner prescribed in the final regulations promulgated pursuant to section 4402 to implement such amendment, with respect to any matter related to—

(A) a contract that is in effect on the date described in paragraph (3);

(B) an offer under consideration on the date described in paragraph (3); or

(C) any other proceeding or action that is ongoing on the date described in paragraph (3).

(3) DEMARCATION DATE.—The date referred to in paragraphs (1) and (2) is the date specified in such final regulations. The date so specified shall be January 1, 1997, or any earlier date that is not within 30 days after the date on which such final regulations are published.

SEC. 4402. IMPLEMENTING REGULATIONS.

(a) PROPOSED REVISIONS.—Proposed revisions to the Federal Acquisition Regulation and such other proposed regulations (or revisions to existing regulations) as may be necessary to implement this Act shall be published in the Federal Register not later than 210 days after the date of the enactment of this Act.

(b) PUBLIC COMMENT.—The proposed regulations described in subsection (a) shall be made available for public comment for a period of not less than 60 days.

(c) FINAL REGULATIONS.—Final regulations shall be published in the Federal Register not later than 330 days after the date of enactment of this Act.

(d) MODIFICATIONS.—Final regulations promulgated pursuant to this section to implement an amendment made by this Act may provide for modification of an existing contract without consideration upon the request of the contractor.

(e) SAVINGS PROVISIONS.—

(1) VALIDITY OF PRIOR ACTIONS.—Nothing in this division shall be construed to affect the validity of any action taken or any contract entered into before the date specified in the regulations pursuant to section 4401(b)(3) except to the extent and in the manner prescribed in such regulations.

(2) RENEGOTIATION AND MODIFICATION OF PREEXISTING CONTRACTS.—Except as specifically provided in this division, nothing in this division shall be construed to require the renegotiation or modification of contracts in existence on the date of the enactment of this Act.

(3) CONTINUED APPLICABILITY OF PREEXISTING LAW.—Except as otherwise provided in this division, a law amended by this division shall continue to be applied according to the provisions thereof as such law was in effect on the day before the date of the enactment of this Act until—

(A) the date specified in final regulations implementing the amendment of that law (as promulgated pursuant to this section); or

(B) if no such date is specified in regulations, January 1, 1997.

DIVISION E—INFORMATION TECHNOLOGY MANAGEMENT REFORM

SEC. 5001. SHORT TITLE.

This division may be cited as the "Information Technology Management Reform Act of 1996".

SEC. 5002. DEFINITIONS.

In this division:

(1) DIRECTOR.—The term "Director" means the Director of the Office of Management and Budget.

(2) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)).

(3) INFORMATION TECHNOLOGY.—(A) The term "information technology", with respect to an executive agency means any equipment or interconnected system or subsystem of equipment, that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the executive agency. For purposes of the preceding sentence, equipment is used by an executive agency if the equipment is used by the executive agency directly or is used by a contractor under a contract with the executive agency which (i) requires the use of such equipment, or (ii) requires the use, to a significant extent, of such equipment in the performance of a service or the furnishing of a product.

(B) The term "information technology" includes computers, ancillary equipment, software, firmware and similar procedures, services (including support services), and related resources.

(C) Notwithstanding subparagraphs (A) and (B), the term "information technology" does not include any equipment that is acquired by a Federal contractor incidental to a Federal contract.

(4) INFORMATION RESOURCES.—The term "information resources" has the meaning given such term in section 3502(6) of title 44, United States Code.

(5) INFORMATION RESOURCES MANAGEMENT.—The term "information resources management" has the meaning given such term in section 3502(7) of title 44, United States Code.

(6) INFORMATION SYSTEM.—The term "information system" has the meaning given such term in section 3502(8) of title 44, United States Code.

(7) COMMERCIAL ITEM.—The term "commercial item" has the meaning given that term in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).

TITLE LI—RESPONSIBILITY FOR ACQUISITIONS OF INFORMATION TECHNOLOGY

Subtitle A—General Authority

SEC. 5101. REPEAL OF CENTRAL AUTHORITY OF THE ADMINISTRATOR OF GENERAL SERVICES.

Section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) is repealed.

Subtitle B—Director of the Office of Management and Budget

SEC. 5111. RESPONSIBILITY OF DIRECTOR.

In fulfilling the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Director shall comply with this title with respect to the specific matters covered by this title.

SEC. 5112. CAPITAL PLANNING AND INVESTMENT CONTROL.

(a) FEDERAL INFORMATION TECHNOLOGY.—The Director shall perform the responsibilities set forth in this section in fulfilling the responsibilities under section 3504(h) of title 44, United States Code.

(b) USE OF INFORMATION TECHNOLOGY IN FEDERAL PROGRAMS.—The Director shall promote and be responsible for improving the

acquisition, use, and disposal of information technology by the Federal Government to improve the productivity, efficiency, and effectiveness of Federal programs, including through dissemination of public information and the reduction of information collection burdens on the public.

(c) **USE OF BUDGET PROCESS.**—The Director shall develop, as part of the budget process, a process for analyzing, tracking, and evaluating the risks and results of all major capital investments made by an executive agency for information systems. The process shall cover the life of each system and shall include explicit criteria for analyzing the projected and actual costs, benefits, and risks associated with the investments. At the same time that the President submits the budget for a fiscal year to Congress under section 1105(a) of title 31, United States Code, the Director shall submit to Congress a report on the net program performance benefits achieved as a result of major capital investments made by executive agencies in information systems and how the benefits relate to the accomplishment of the goals of the executive agencies.

(d) **INFORMATION TECHNOLOGY STANDARDS.**—The Director shall oversee the development and implementation of standards and guidelines pertaining to Federal computer systems by the Secretary of Commerce through the National Institute of Standards and Technology under section 5131 and section 20 of the National Institute of Standards and Technology Act (15 U.S.C. 278g-3).

(e) **DESIGNATION OF EXECUTIVE AGENTS FOR ACQUISITIONS.**—The Director shall designate (as the Director considers appropriate) one or more heads of executive agencies as executive agent for Government-wide acquisitions of information technology.

(f) **USE OF BEST PRACTICES IN ACQUISITIONS.**—The Director shall encourage the heads of the executive agencies to develop and use the best practices in the acquisition of information technology.

(g) **ASSESSMENT OF OTHER MODELS FOR MANAGING INFORMATION TECHNOLOGY.**—The Director shall assess, on a continuing basis, the experiences of executive agencies, State and local governments, international organizations, and the private sector in managing information technology.

(h) **COMPARISON OF AGENCY USES OF INFORMATION TECHNOLOGY.**—The Director shall compare the performances of the executive agencies in using information technology and shall disseminate the comparisons to the heads of the executive agencies.

(i) **TRAINING.**—The Director shall monitor the development and implementation of training in information resources management for executive agency personnel.

(j) **INFORMING CONGRESS.**—The Director shall keep Congress fully informed on the extent to which the executive agencies are improving the performance of agency programs and the accomplishment of agency missions through the use of the best practices in information resources management.

(k) **PROCUREMENT POLICY AND ACQUISITIONS OF INFORMATION TECHNOLOGY.**—The Director shall coordinate the development and review by the Administrator of the Office of Information and Regulatory Affairs of policy associated with Federal acquisition of information technology with the Office of Federal Procurement Policy.

SEC. 5113. PERFORMANCE-BASED AND RESULTS-BASED MANAGEMENT.

(a) **IN GENERAL.**—The Director shall encourage the use of performance-based and results-based management in fulfilling the responsibilities assigned under section 3504(h), of title 44, United States Code.

(b) **EVALUATION OF AGENCY PROGRAMS AND INVESTMENTS.**—

(1) **REQUIREMENT.**—The Director shall evaluate the information resources management practices of the executive agencies with respect to the performance and results of the investments made by the executive agencies in information technology.

(2) **DIRECTION FOR EXECUTIVE AGENCY ACTION.**—The Director shall issue to the head of each executive agency clear and concise direction that the head of such agency shall—

(A) establish effective and efficient capital planning processes for selecting, managing, and evaluating the results of all of its major investments in information systems;

(B) determine, before making an investment in a new information system—

(i) whether the function to be supported by the system should be performed by the private sector and, if so, whether any component of the executive agency performing that function should be converted from a governmental organization to a private sector organization; or

(ii) whether the function should be performed by the executive agency and, if so, whether the function should be performed by a private sector source under contract or by executive agency personnel;

(C) analyze the missions of the executive agency and, based on the analysis, revise the executive agency's mission-related processes and administrative processes, as appropriate, before making significant investments in information technology to be used in support of those missions; and

(D) ensure that the information security policies, procedures, and practices are adequate.

(3) **GUIDANCE FOR MULTIAGENCY INVESTMENTS.**—The direction issued under paragraph (2) shall include guidance for undertaking efficiently and effectively inter-agency and Government-wide investments in information technology to improve the accomplishment of missions that are common to the executive agencies.

(4) **PERIODIC REVIEWS.**—The Director shall implement through the budget process periodic reviews of selected information resources management activities of the executive agencies in order to ascertain the efficiency and effectiveness of information technology in improving the performance of the executive agency and the accomplishment of the missions of the executive agency.

(5) **ENFORCEMENT OF ACCOUNTABILITY.**—

(A) **IN GENERAL.**—The Director may take any authorized action that the Director considers appropriate, including an action involving the budgetary process or appropriations management process, to enforce accountability of the head of an executive agency for information resources management and for the investments made by the executive agency in information technology.

(B) **SPECIFIC ACTIONS.**—Actions taken by the Director in the case of an executive agency may include—

(i) recommending a reduction or an increase in any amount for information resources that the head of the executive agency proposes for the budget submitted to Congress under section 1105(a) of title 31, United States Code;

(ii) reducing or otherwise adjusting apportionments and reapportionments of appropriations for information resources;

(iii) using other authorized administrative controls over appropriations to restrict the availability of funds for information resources; and

(iv) designating for the executive agency an executive agent to contract with private sector sources for the performance of information resources management or the acquisition of information technology.

Subtitle C—Executive Agencies

SEC. 5121. RESPONSIBILITIES.

In fulfilling the responsibilities assigned under chapter 35 of title 44, United States Code, the head of each executive agency shall comply with this subtitle with respect to the specific matters covered by this subtitle.

SEC. 5122. CAPITAL PLANNING AND INVESTMENT CONTROL.

(a) **DESIGN OF PROCESS.**—In fulfilling the responsibilities assigned under section 3506(h) of title 44, United States Code, the head of each executive agency shall design and implement in the executive agency a process for maximizing the value and assessing and managing the risks of the information technology acquisitions of the executive agency.

(b) **CONTENT OF PROCESS.**—The process of an executive agency shall—

(1) provide for the selection of information technology investments to be made by the executive agency, the management of such investments, and the evaluation of the results of such investments;

(2) be integrated with the processes for making budget, financial, and program management decisions within the executive agency;

(3) include minimum criteria to be applied in considering whether to undertake a particular investment in information systems, including criteria related to the quantitatively expressed projected net, risk-adjusted return on investment and specific quantitative and qualitative criteria for comparing and prioritizing alternative information systems investment projects;

(4) provide for identifying information systems investments that would result in shared benefits or costs for other Federal agencies or State or local governments;

(5) provide for identifying for a proposed investment quantifiable measurements for determining the net benefits and risks of the investment; and

(6) provide the means for senior management personnel of the executive agency to obtain timely information regarding the progress of an investment in an information system, including a system of milestones for measuring progress, on an independently verifiable basis, in terms of cost, capability of the system to meet specified requirements, timeliness, and quality.

SEC. 5123. PERFORMANCE AND RESULTS-BASED MANAGEMENT.

In fulfilling the responsibilities under section 3506(h) of title 44, United States Code, the head of an executive agency shall—

(1) establish goals for improving the efficiency and effectiveness of agency operations and, as appropriate, the delivery of services to the public through the effective use of information technology;

(2) prepare an annual report, to be included in the executive agency's budget submission to Congress, on the progress in achieving the goals;

(3) ensure that performance measurements are prescribed for information technology used by or to be acquired for, the executive agency and that the performance measurements measure how well the information technology supports programs of the executive agency;

(4) where comparable processes and organizations in the public or private sectors exist, quantitatively benchmark agency process performance against such processes in terms of cost, speed, productivity, and quality of outputs and outcomes;

(5) analyze the missions of the executive agency and, based on the analysis, revise the executive agency's mission-related processes and administrative processes as appropriate before making significant investments in in-

support technology that is to be used in support of the performance of those missions; and

(6) ensure that the information security policies, procedures, and practices of the executive agency are adequate.

SEC. 5124. ACQUISITIONS OF INFORMATION TECHNOLOGY.

(a) IN GENERAL.—The authority of the head of an executive agency to conduct an acquisition of information technology includes the following authorities:

(1) To acquire information technology as authorized by law.

(2) To enter into a contract that provides for multiagency acquisitions of information technology in accordance with guidance issued by the Director.

(3) If the Director finds that it would be advantageous for the Federal Government to do so, to enter into a multiagency contract for procurement of commercial items of information technology that requires each executive agency covered by the contract, when procuring such items, either to procure the items under that contract or to justify an alternative procurement of the items.

(b) FTS 2000 PROGRAM.—Notwithstanding any other provision of this or any other law, the Administrator of General Services shall continue to manage the FTS 2000 program, and to coordinate the follow-on to that program, on behalf of and with the advice of the heads of executive agencies.

SEC. 5125. AGENCY CHIEF INFORMATION OFFICER.

(a) DESIGNATION OF CHIEF INFORMATION OFFICERS.—Section 3506 of title 44, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (2)(A), by striking out “senior official” and inserting in lieu thereof “Chief Information Officer”;

(B) in paragraph (2)(B)—

(i) by striking out “senior officials” in the first sentence and inserting in lieu thereof “Chief Information Officers”;

(ii) by striking out “official” in the second sentence and inserting in lieu thereof “Chief Information Officer”; and

(iii) by striking out “officials” in the second sentence and inserting in lieu thereof “Chief Information Officers”; and

(C) in paragraphs (3) and (4), by striking out “senior official” each place it appears and inserting in lieu thereof “Chief Information Officer”; and

(2) in subsection (c)(1), by striking out “official” in the matter preceding subparagraph (A) and inserting in lieu thereof “Chief Information Officer”.

(b) GENERAL RESPONSIBILITIES.—The Chief Information Officer of an executive agency shall be responsible for—

(1) providing advice and other assistance to the head of the executive agency and other senior management personnel of the executive agency to ensure that information technology is acquired and information resources are managed for the executive agency in a manner that implements the policies and procedures of this division, consistent with chapter 35 of title 44, United States Code, and the priorities established by the head of the executive agency;

(2) developing, maintaining, and facilitating the implementation of a sound and integrated information technology architecture for the executive agency; and

(3) promoting the effective and efficient design and operation of all major information resources management processes for the executive agency, including improvements to work processes of the executive agency.

(c) DUTIES AND QUALIFICATIONS.—The Chief Information Officer of an agency that is listed in section 901(b) of title 31, United States Code, shall—

(1) have information resources management duties as that official’s primary duty;

(2) monitor the performance of information technology programs of the agency, evaluate the performance of those programs on the basis of the applicable performance measurements, and advise the head of the agency regarding whether to continue, modify, or terminate a program or project; and

(3) annually, as part of the strategic planning and performance evaluation process required (subject to section 1117 of title 31, United States Code) under section 306 of title 5, United States Code, and sections 1105(a)(29), 1115, 1116, 1117, and 9703 of title 31, United States Code—

(A) assess the requirements established for agency personnel regarding knowledge and skill in information resources management and the adequacy of such requirements for facilitating the achievement of the performance goals established for information resources management;

(B) assess the extent to which the positions and personnel at the executive level of the agency and the positions and personnel at management level of the agency below the executive level meet those requirements;

(C) in order to rectify any deficiency in meeting those requirements, develop strategies and specific plans for hiring, training, and professional development; and

(D) report to the head of the agency on the progress made in improving information resources management capability.

(d) INFORMATION TECHNOLOGY ARCHITECTURE DEFINED.—In this section, the term “information technology architecture”, with respect to an executive agency, means an integrated framework for evolving or maintaining existing information technology and acquiring new information technology to achieve the agency’s strategic goals and information resources management goals.

(e) EXECUTIVE LEVEL IV.—Section 5315 of title 5, United States Code, is amended by adding at the end the following:

“Chief Information Officer, Department of Agriculture.

“Chief Information Officer, Department of Commerce.

“Chief Information Officer, Department of Defense (unless the official designated as the Chief Information Officer of the Department of Defense is an official listed under section 5312, 5313, or 5314 of this title).

“Chief Information Officer, Department of Education.

“Chief Information Officer, Department of Energy.

“Chief Information Officer, Department of Health and Human Services.

“Chief Information Officer, Department of Housing and Urban Development.

“Chief Information Officer, Department of Interior.

“Chief Information Officer, Department of Justice.

“Chief Information Officer, Department of Labor.

“Chief Information Officer, Department of State.

“Chief Information Officer, Department of Transportation.

“Chief Information Officer, Department of Treasury.

“Chief Information Officer, Department of Veterans Affairs.

“Chief Information Officer, Environmental Protection Agency.

“Chief Information Officer, National Aeronautics and Space Administration.

“Chief Information Officer, Agency for International Development.

“Chief Information Officer, Federal Emergency Management Agency.

“Chief Information Officer, General Services Administration.

“Chief Information Officer, National Science Foundation.

“Chief Information Officer, Nuclear Regulatory Agency.

“Chief Information Officer, Office of Personnel Management.

“Chief Information Officer, Small Business Administration.”.

SEC. 5126. ACCOUNTABILITY.

The head of each executive agency, in consultation with the Chief Information Officer and the Chief Financial Officer of that executive agency (or, in the case of an executive agency without a Chief Financial Officer, any comparable official), shall establish policies and procedures that—

(1) ensure that the accounting, financial, and asset management systems and other information systems of the executive agency are designed, developed, maintained, and used effectively to provide financial or program performance data for financial statements of the executive agency;

(2) ensure that financial and related program performance data are provided on a reliable, consistent, and timely basis to executive agency financial management systems; and

(3) ensure that financial statements support—

(A) assessments and revisions of mission-related processes and administrative processes of the executive agency; and

(B) performance measurement of the performance in the case of investments made by the agency in information systems.

SEC. 5127. SIGNIFICANT DEVIATIONS.

The head of an executive agency shall identify in the strategic information resources management plan required under section 3506(b)(2) of title 44, United States Code, any major information technology acquisition program, or any phase or increment of such a program, that has significantly deviated from the cost, performance, or schedule goals established for the program.

SEC. 5128. INTERAGENCY SUPPORT.

Funds available for an executive agency for oversight, acquisition, and procurement of information technology may be used by the head of the executive agency to support jointly with other executive agencies the activities of interagency groups that are established to advise the Director in carrying out the Director’s responsibilities under this title. The use of such funds for that purpose shall be subject to such requirements and limitations on uses and amounts as the Director may prescribe. The Director shall prescribe any such requirements and limitations during the Director’s review of the executive agency’s proposed budget submitted to the Director by the head of the executive agency for purposes of section 1105 of title 31, United States Code.

Subtitle D—Other Responsibilities

SEC. 5131. RESPONSIBILITIES REGARDING EFFICIENCY, SECURITY, AND PRIVACY OF FEDERAL COMPUTER SYSTEMS.

(a) STANDARDS AND GUIDELINES.—

(1) AUTHORITY.—The Secretary of Commerce shall, on the basis of standards and guidelines developed by the National Institute of Standards and Technology pursuant to paragraphs (2) and (3) of section 20(a) of the National Institute of Standards and Technology Act (15 U.S.C. 278g-3(a)), promulgate standards and guidelines pertaining to Federal computer systems. The Secretary shall make such standards compulsory and binding to the extent to which the Secretary determines necessary to improve the efficiency of operation or security and privacy of Federal computer systems. The President may disapprove or modify such standards and guidelines if the President determines such action to be in the public interest. The

President's authority to disapprove or modify such standards and guidelines may not be delegated. Notice of such disapproval or modification shall be published promptly in the Federal Register. Upon receiving notice of such disapproval or modification, the Secretary of Commerce shall immediately rescind or modify such standards or guidelines as directed by the President.

(2) EXERCISE OF AUTHORITY.—The authority conferred upon the Secretary of Commerce by this section shall be exercised subject to direction by the President and in coordination with the Director to ensure fiscal and policy consistency.

(b) APPLICATION OF MORE STRINGENT STANDARDS.—The head of a Federal agency may employ standards for the cost-effective security and privacy of sensitive information in a Federal computer system within or under the supervision of that agency that are more stringent than the standards promulgated by the Secretary of Commerce under this section, if such standards contain, at a minimum, the provisions of those applicable standards made compulsory and binding by the Secretary of Commerce.

(c) WAIVER OF STANDARDS.—The standards determined under subsection (a) to be compulsory and binding may be waived by the Secretary of Commerce in writing upon a determination that compliance would adversely affect the accomplishment of the mission of an operator of a Federal computer system, or cause a major adverse financial impact on the operator which is not offset by Government-wide savings. The Secretary may delegate to the head of one or more Federal agencies authority to waive such standards to the extent to which the Secretary determines such action to be necessary and desirable to allow for timely and effective implementation of Federal computer system standards. The head of such agency may redelegate such authority only to a Chief Information Officer designated pursuant to section 3506 of title 44, United States Code. Notice of each such waiver and delegation shall be transmitted promptly to Congress and shall be published promptly in the Federal Register.

(d) DEFINITIONS.—In this section, the terms "Federal computer system" and "operator of a Federal computer system" have the meanings given such terms in section 20(d) of the National Institute of Standards and Technology Act (15 U.S.C. 278g-3(d)).

(e) TECHNICAL AMENDMENTS.—Chapter 35 of title 44, United States Code, is amended—

(1) in section 3504(g)—

(A) in paragraph (2), by striking out "the Computer Security Act of 1987 (40 U.S.C. 759 note)" and inserting in lieu thereof "sections 20 and 21 of the National Institute of Standards and Technology Act (15 U.S.C. 278g-3 and 278g-4), section 5131 of the Information Technology Management Reform Act of 1996, and sections 5 and 6 of the Computer Security Act of 1987 (40 U.S.C. 759 note)"; and

(B) in paragraph (3), by striking out "the Computer Security Act of 1987 (40 U.S.C. 759 note)" and inserting in lieu thereof "the standards and guidelines promulgated under section 5131 of the Information Technology Management Reform Act of 1996 and sections 5 and 6 of the Computer Security Act of 1987 (40 U.S.C. 759 note)"; and

(2) in section 3518(d), by striking out "Public Law 89-306 on the Administrator of the General Services Administration, the Secretary of Commerce, or" and inserting in lieu thereof "section 5131 of the Information Technology Management Reform Act of 1996 and the Computer Security Act of 1987 (40 U.S.C. 759 note) on the Secretary of Commerce or".

SEC. 5132. SENSE OF CONGRESS.

It is the sense of Congress that, during the next five-year period beginning with 1996, ex-

ecutive agencies should achieve each year at least a 5 percent decrease in the cost (in constant fiscal year 1996 dollars) that is incurred by the agency for operating and maintaining information technology, and each year a 5 percent increase in the efficiency of the agency operations, by reason of improvements in information resources management by the agency.

Subtitle E—National Security Systems

SEC. 5141. APPLICABILITY TO NATIONAL SECURITY SYSTEMS.

(a) IN GENERAL.—Except as provided in subsection (b), this title does not apply to national security systems.

(b) EXCEPTIONS.—

(1) IN GENERAL.—Sections 5123, 5125, and 5126 apply to national security systems.

(2) CAPITAL PLANNING AND INVESTMENT CONTROL.—The heads of executive agencies shall apply sections 5112 and 5122 to national security systems to the extent practicable.

(3) PERFORMANCE AND RESULTS OF INFORMATION TECHNOLOGY INVESTMENTS.—(A) Subject to subparagraph (B), the heads of executive agencies shall apply section 5113 to national security systems to the extent practicable.

(B) National security systems shall be subject to section 5113(b)(5) except for subparagraph (B)(iv) of that section.

SEC. 5142. NATIONAL SECURITY SYSTEM DEFINED.

(a) DEFINITION.—In this subtitle, the term "national security system" means any telecommunications or information system operated by the United States Government, the function, operation, or use of which—

(1) involves intelligence activities;

(2) involves cryptologic activities related to national security;

(3) involves command and control of military forces;

(4) involves equipment that is an integral part of a weapon or weapons system; or

(5) subject to subsection (b), is critical to the direct fulfillment of military or intelligence missions.

(b) LIMITATION.—Subsection (a)(5) does not include a system that is to be used for routine administrative and business applications (including payroll, finance, logistics, and personnel management applications).

TITLE LII—PROCESS FOR ACQUISITIONS OF INFORMATION TECHNOLOGY

SEC. 5201. PROCUREMENT PROCEDURES.

The Federal Acquisition Regulatory Council shall ensure that, to the maximum extent practicable, the process for acquisition of information technology is a simplified, clear, and understandable process that specifically addresses the management of risk, incremental acquisitions, and the need to incorporate commercial information technology in a timely manner.

SEC. 5202. INCREMENTAL ACQUISITION OF INFORMATION TECHNOLOGY.

(a) POLICY.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended by adding at the end the following new section:

"SEC. 35. MODULAR CONTRACTING FOR INFORMATION TECHNOLOGY.

"(a) IN GENERAL.—The head of an executive agency should, to the maximum extent practicable, use modular contracting for an acquisition of a major system of information technology.

"(b) MODULAR CONTRACTING DESCRIBED.—Under modular contracting, an executive agency's need for a system is satisfied in successive acquisitions of interoperable increments. Each increment complies with common or commercially accepted standards applicable to information technology so that the increments are compatible with other increments of information technology comprising the system.

"(c) IMPLEMENTATION.—The Federal Acquisition Regulation shall provide that—

"(1) under the modular contracting process, an acquisition of a major system of information technology may be divided into several smaller acquisition increments that—

"(A) are easier to manage individually than would be one comprehensive acquisition;

"(B) address complex information technology objectives incrementally in order to enhance the likelihood of achieving workable solutions for attainment of those objectives;

"(C) provide for delivery, implementation, and testing of workable systems or solutions in discrete increments each of which comprises a system or solution that is not dependent on any subsequent increment in order to perform its principal functions; and

"(D) provide an opportunity for subsequent increments of the acquisition to take advantage of any evolution in technology or needs that occur during conduct of the earlier increments;

"(2) a contract for an increment of an information technology acquisition should, to the maximum extent practicable, be awarded within 180 days after the date on which the solicitation is issued and, if the contract for that increment cannot be awarded within such period, the increment should be considered for cancellation; and

"(3) the information technology provided for in a contract for acquisition of information technology should be delivered within 18 months after the date on which the solicitation resulting in award of the contract was issued."

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) of such Act is amended by inserting after the item relating to section 34 the following new item:

"Sec. 35. Modular contracting for information technology."

TITLE LIII—INFORMATION TECHNOLOGY ACQUISITION PILOT PROGRAMS

Subtitle A—Conduct of Pilot Programs

SEC. 5301. AUTHORITY TO CONDUCT PILOT PROGRAMS.

(a) IN GENERAL.—

(1) PURPOSE.—The Administrator for Federal Procurement Policy (hereinafter referred to as the "Administrator"), in consultation with the Administrator for the Office of Information and Regulatory Affairs, may conduct pilot programs in order to test alternative approaches for acquisition of information technology by executive agencies.

(2) MULTIAGENCY, MULTI-ACTIVITY CONDUCT OF EACH PROGRAM.—Except as otherwise provided in this title, each pilot program conducted under this title shall be carried out in not more than two procuring activities in each of the executive agencies that are designated by the Administrator in accordance with this title to carry out the pilot program. The head of each designated executive agency shall, with the approval of the Administrator, select the procuring activities of the executive agency that are to participate in the test and shall designate a procurement testing official who shall be responsible for the conduct and evaluation of the pilot program within the executive agency.

(b) LIMITATIONS.—

(1) NUMBER.—Not more than two pilot programs may be conducted under the authority of this title, including one pilot program each pursuant to the requirements of sections 5311 and 5312.

(2) AMOUNT.—The total amount obligated for contracts entered into under the pilot programs conducted under the authority of this title may not exceed \$750,000,000. The Administrator shall monitor such contracts

and ensure that contracts are not entered into in violation of the limitation in the preceding sentence.

(c) PERIOD OF PROGRAMS.—

(1) IN GENERAL.—Subject to paragraph (2), any pilot program may be carried out under this title for the period, not in excess of five years, that is determined by the Administrator as being sufficient to establish reliable results.

(2) CONTINUING VALIDITY OF CONTRACTS.—A contract entered into under the pilot program before the expiration of that program shall remain in effect according to the terms of the contract after the expiration of the program.

SEC. 5302. EVALUATION CRITERIA AND PLANS.

(a) MEASURABLE TEST CRITERIA.—The head of each executive agency conducting a pilot program under section 5301 shall establish, to the maximum extent practicable, measurable criteria for evaluating the effects of the procedures or techniques to be tested under the program.

(b) TEST PLAN.—Before a pilot program may be conducted under section 5301, the Administrator shall submit to Congress a detailed test plan for the program, including a detailed description of the procedures to be used and a list of any regulations that are to be waived.

SEC. 5303. REPORT.

(a) REQUIREMENT.—Not later than 180 days after the completion of a pilot program under this title, the Administrator shall—

(1) submit to the Director a report on the results and findings under the program; and
(2) provide a copy of the report to Congress.

(b) CONTENT.—The report shall include the following:

(1) A detailed description of the results of the program, as measured by the criteria established for the program.

(2) A discussion of any legislation that the Administrator recommends, or changes in regulations that the Administrator considers necessary, in order to improve overall information resources management within the Federal Government.

SEC. 5304. RECOMMENDED LEGISLATION.

If the Director determines that the results and findings under a pilot program under this title indicate that legislation is necessary or desirable in order to improve the process for acquisition of information technology, the Director shall transmit the Director's recommendations for such legislation to Congress.

SEC. 5305. RULE OF CONSTRUCTION.

Nothing in this title shall be construed as authorizing the appropriation or obligation of funds for the pilot programs authorized under this title.

Subtitle B—Specific Pilot Programs

SEC. 5311. SHARE-IN-SAVINGS PILOT PROGRAM.

(a) REQUIREMENT.—The Administrator may authorize the heads of two executive agencies to carry out a pilot program to test the feasibility of—

(1) contracting on a competitive basis with a private sector source to provide the Federal Government with an information technology solution for improving mission-related or administrative processes of the Federal Government; and

(2) paying the private sector source an amount equal to a portion of the savings derived by the Federal Government from any improvements in mission-related processes and administrative processes that result from implementation of the solution.

(b) LIMITATIONS.—The head of an executive agency authorized to carry out the pilot program may, under the pilot program, carry out one project and enter into not more than five contracts for the project.

(c) SELECTION OF PROJECTS.—The projects shall be selected by the Administrator, in consultation with the Administrator for the Office of Information and Regulatory Affairs.

SEC. 5312. SOLUTIONS-BASED CONTRACTING PILOT PROGRAM.

(a) IN GENERAL.—The Administrator may authorize the heads of any of the executive agencies, in accordance with subsection (d)(2), to carry out a pilot program to test the feasibility of using solutions-based contracting for acquisition of information technology.

(b) SOLUTIONS-BASED CONTRACTING DESCRIBED.—For purposes of this section, solutions-based contracting is an acquisition method under which the acquisition objectives are defined by the Federal Government user of the technology to be acquired, a streamlined contractor selection process is used, and industry sources are allowed to provide solutions that attain the objectives effectively.

(c) PROCESS REQUIREMENTS.—The Administrator shall require use of a process with the following aspects for acquisitions under the pilot program:

(1) ACQUISITION PLAN EMPHASIZING DESIRED RESULT.—Preparation of an acquisition plan that defines the functional requirements of the intended users of the information technology to be acquired, identifies the operational improvements to be achieved, and defines the performance measurements to be applied in determining whether the information technology acquired satisfies the defined requirements and attains the identified results.

(2) RESULTS-ORIENTED STATEMENT OF WORK.—Use of a statement of work that is limited to an expression of the end results or performance capabilities desired under the acquisition plan.

(3) SMALL ACQUISITION ORGANIZATION.—Assembly of a small acquisition organization consisting of the following:

(A) An acquisition management team, the members of which are to be evaluated and rewarded under the pilot program for contributions toward attainment of the desired results identified in the acquisition plan.

(B) A small source selection team composed of representatives of the specific mission or administrative area to be supported by the information technology to be acquired, together with a contracting officer and persons with relevant expertise.

(4) USE OF SOURCE SELECTION FACTORS EMPHASIZING SOURCE QUALIFICATIONS AND COSTS.—Use of source selection factors that emphasize—

(A) the qualifications of the offeror, including such factors as personnel skills, previous experience in providing other private or public sector organizations with solutions for attaining objectives similar to the objectives of the acquisition, past contract performance, qualifications of the proposed program manager, and the proposed management plan; and
(B) the costs likely to be associated with the conceptual approach proposed by the offeror.

(5) OPEN COMMUNICATIONS WITH CONTRACTOR COMMUNITY.—Open availability of the following information to potential offerors:

(A) The agency mission to be served by the acquisition.

(B) The functional process to be performed by use of information technology.

(C) The process improvements to be attained.

(6) SIMPLE SOLICITATION.—Use of a simple solicitation that sets forth only the functional work description, the source selection factors to be used in accordance with paragraph (4), the required terms and conditions,

instructions regarding submission of offers, and the estimate of the Federal Government's budget for the desired work.

(7) SIMPLE PROPOSALS.—Submission of oral presentations and written proposals that are limited in size and scope and contain information on—

(A) the offeror's qualifications to perform the desired work;

(B) past contract performance;

(C) the proposed conceptual approach; and
(D) the costs likely to be associated with the proposed conceptual approach.

(8) SIMPLE EVALUATION.—Use of a simplified evaluation process, to be completed within 45 days after receipt of proposals, which consists of the following:

(A) Identification of the most qualified offerors that are within the competitive range.

(B) Issuance of invitations for at least three and not more than five of the identified offerors to make oral presentations to, and engage in discussions with, the evaluating personnel regarding, for each offeror—

(i) the qualifications of the offeror, including how the qualifications of the offeror relate to the approach proposed to be taken by the offeror in the acquisition; and
(ii) the costs likely to be associated with the approach.

(C) Evaluation of the qualifications of the identified offerors and the costs likely to be associated with the offerors' proposals on the basis of submissions required under the process and any oral presentations made by, and any discussions with, the offerors.

(9) SELECTION OF MOST QUALIFIED OFFEROR.—A selection process consisting of the following:

(A) Identification of the most qualified source, and ranking of alternative sources, primarily on the basis of the oral proposals, presentations, and discussions, and written proposals submitted in accordance with paragraph (7).

(B) Conduct for 30 to 60 days of a program definition phase (funded, in the case of the source ultimately awarded the contract, by the Federal Government)—

(i) during which the selected source, in consultation with one or more intended users, develops a conceptual system design and technical approach, defines logical phases for the project, and estimates the total cost and the cost for each phase; and
(ii) after which a contract for performance of the work may be awarded to that source on the basis of cost, the responsiveness, reasonableness, and quality of the proposed performance, and a sharing of risk and benefits between the source and the Government.

(C) Conduct of as many successive program definition phases with alternative sources (in the order ranked) as is necessary in order to award a contract in accordance with subparagraph (B).

(10) SYSTEM IMPLEMENTATION PHASING.—System implementation to be executed in phases that are tailored to the solution, with various contract arrangements being used, as appropriate, for various phases and activities.

(11) MUTUAL AUTHORITY TO TERMINATE.—Authority for the Federal Government or the contractor to terminate the contract without penalty at the end of any phase defined for the project.

(12) TIME MANAGEMENT DISCIPLINE.—Application of a standard for awarding a contract within 105 to 120 days after issuance of the solicitation.

(d) PILOT PROGRAM DESIGN.—

(1) JOINT PUBLIC-PRIVATE WORKING GROUP.—The Administrator, in consultation with the Administrator for the Office of Information and Regulatory Affairs, shall establish a joint working group of Federal Government personnel and representatives of the infor-

mation technology industry to design a plan for conduct of any pilot program carried out under this section.

(2) **CONTENT OF PLAN.**—The plan shall provide for use of solutions-based contracting in the Department of Defense and not more than two other executive agencies for a total of—

(A) not more than 10 projects, each of which has an estimated cost of between \$25,000,000 and \$100,000,000; and

(B) not more than 10 projects, each of which has an estimated cost of between \$1,000,000 and \$5,000,000, to be set aside for small business concerns.

(3) **COMPLEXITY OF PROJECTS.**—(A) Subject to subparagraph (C), each acquisition project under the pilot program shall be sufficiently complex to provide for meaningful evaluation of the use of solutions-based contracting for acquisition of information technology for executive agencies.

(B) In order for an acquisition project to satisfy the requirement in subparagraph (A), the solution for attainment of the executive agency's objectives under the project should not be obvious, but rather shall involve a need for some innovative development and systems integration.

(C) An acquisition project should not be so extensive or lengthy as to result in undue delay in the evaluation of the use of solutions-based contracting.

(e) **MONITORING BY GAO.**—The Comptroller General of the United States shall—

(1) monitor the conduct, and review the results, of acquisitions under the pilot program; and

(2) submit to Congress periodic reports containing the views of the Comptroller General on the activities, results, and findings under the pilot program.

TITLE LIV—ADDITIONAL INFORMATION RESOURCES MANAGEMENT MATTERS
SEC. 5401. ON-LINE MULTIPLE AWARD SCHEDULE CONTRACTING.

(a) **AUTOMATION OF MULTIPLE AWARD SCHEDULE CONTRACTING.**—In order to provide for the economic and efficient procurement of information technology and other commercial items, the Administrator of General Services shall provide through the Federal Acquisition Computer Network (in this section referred to as "FACNET"), not later than January 1, 1998, Government-wide on-line computer access to information on products and services that are available for ordering under the multiple award schedules. If the Administrator determines it is not practicable to provide such access through FACNET, the Administrator shall provide such access through another automated system that has the capability to perform the functions listed in subsection (b)(1) and meets the requirement of subsection (b)(2).

(b) **ADDITIONAL FACNET FUNCTIONS.**—(1) In addition to the functions specified in section 30(b) of the Office of Federal Procurement Policy Act (41 U.S.C. 426(b)), the FACNET architecture shall have the capability to perform the following functions:

(A) Provide basic information on prices, features, and performance of all products and services available for ordering through the multiple award schedules.

(B) Provide for updating that information to reflect changes in prices, features, and performance as soon as information on the changes becomes available.

(C) Enable users to make on-line computer comparisons of the prices, features, and performance of similar products and services offered by various vendors.

(2) The FACNET architecture shall be used to place orders under the multiple award schedules in a fiscal year for an amount equal to at least 60 percent of the total amount spent for all orders under the multiple award schedules in that fiscal year.

(c) **STREAMLINED PROCEDURES.**—

(1) **PILOT PROGRAM.**—Upon certification by the Administrator of General Services that the FACNET architecture meets the requirements of subsection (b)(1) and was used as required by subsection (b)(2) in the fiscal year preceding the fiscal year in which the certification is made, the Administrator for Federal Procurement Policy may establish a pilot program to test streamlined procedures for the procurement of information technology products and services available for ordering through the multiple award schedules.

(2) **APPLICABILITY TO MULTIPLE AWARD SCHEDULE CONTRACTS.**—Except as provided in paragraph (4), the pilot program shall be applicable to all multiple award schedule contracts for the purchase of information technology and shall test the following procedures:

(A) A procedure under which negotiation of the terms and conditions for a covered multiple award schedule contract is limited to terms and conditions other than price.

(B) A procedure under which the vendor establishes the prices under a covered multiple award schedule contract and may adjust those prices at any time in the discretion of the vendor.

(C) A procedure under which a covered multiple award schedule contract is awarded to any responsible offeror that—

(i) has a suitable record of past performance, which may include past performance on multiple award schedule contracts;

(ii) agrees to terms and conditions that the Administrator determines as being required by law or as being appropriate for the purchase of commercial items; and

(iii) agrees to establish and update prices, features, and performance and to accept orders electronically through the automated system established pursuant to subsection (a).

(3) **COMPTROLLER GENERAL REVIEW AND REPORT.**—(A) Not later than three years after the date on which the pilot program is established, the Comptroller General of the United States shall review the pilot program and report to the Congress on the results of the pilot program.

(B) The report shall include the following:

(i) An evaluation of the extent to which there is competition for the orders placed under the pilot program.

(ii) The effect that the streamlined procedures under the pilot program have on prices charged under multiple award schedule contracts.

(iii) The effect that such procedures have on paperwork requirements for multiple award schedule contracts and orders.

(iv) The impact of the pilot program on small businesses and socially and economically disadvantaged small businesses.

(4) **WITHDRAWAL OF SCHEDULE OR PORTION OF SCHEDULE FROM PILOT PROGRAM.**—The Administrator may withdraw a multiple award schedule or portion of a schedule from the pilot program if the Administrator determines that (A) price competition is not available under such schedule or portion thereof, or (B) the cost to the Government for that schedule or portion thereof for the previous year was higher than it would have been if the contracts for such schedule or portion thereof had been awarded using procedures that would apply if the pilot program were not in effect. The Administrator shall notify Congress at least 30 days before the date on which the Administrator withdraws a schedule or portion thereof under this paragraph. The authority under this paragraph may not be delegated.

(5) **TERMINATION OF PILOT PROGRAM.**—Unless reauthorized by law, the authority of the Administrator to award contracts under the pilot program shall expire four years

after the date on which the pilot program is established. Contracts entered into before the authority expires shall remain in effect in accordance with their terms notwithstanding the expiration of the authority to award new contracts under the pilot program.

(d) **DEFINITION.**—In this section, the term "FACNET" means the Federal Acquisition Computer Network established under section 30 of the Office of Federal Procurement Policy Act (41 U.S.C. 426).

SEC. 5402. IDENTIFICATION OF EXCESS AND SURPLUS COMPUTER EQUIPMENT.

Not later than six months after the date of the enactment of this Act, the head of an executive agency shall inventory all computer equipment under the control of that official. After completion of the inventory, the head of the executive agency shall maintain, in accordance with title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.), an inventory of any such equipment that is excess or surplus property.

SEC. 5403. ACCESS OF CERTAIN INFORMATION IN INFORMATION SYSTEMS TO THE DIRECTORY ESTABLISHED UNDER SECTION 4101 OF TITLE 44, UNITED STATES CODE.

Notwithstanding any other provision of this division, in designing an information technology system pursuant to this division, the head of an executive agency determines that a purpose of the system is to disseminate information to the public, then the head of such executive agency shall reasonably ensure that an index of information disseminated by such system is included in the directory created pursuant to section 4101 of title 44, United States Code. Nothing in this section authorizes the dissemination of information to the public unless otherwise authorized.

TITLE LV—PROCUREMENT PROTEST AUTHORITY OF THE COMPTROLLER GENERAL

SEC. 5501. PERIOD FOR PROCESSING PROTESTS.

Title 31, United States Code, is amended as follows:

(1) Section 3553(b)(2)(A) is amended by striking out "35" and inserting in lieu thereof "30".

(2) Section 3554 is amended—

(A) in subsection (a)(1), by striking out "125" and inserting in lieu thereof "100"; and

(B) in subsection (e)—

(i) in paragraph (1), by striking out "Government Operations" and inserting in lieu thereof "Government Reform and Oversight"; and

(ii) in paragraph (2), by striking out "125" and inserting in lieu thereof "100".

SEC. 5502. AVAILABILITY OF FUNDS FOLLOWING GAO RESOLUTION OF CHALLENGE TO CONTRACTING ACTION.

(a) **IN GENERAL.**—Section 1558 of title 31, United States Code, is amended—

(1) in the first sentence of subsection (a)—

(A) by inserting "or other action referred to in subsection (b)" after "protest" the first place it appears;

(B) by striking out "90 working days" and inserting in lieu thereof "100 days"; and

(C) by inserting "or other action" after "protest" the second place it appears; and

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

“(b) Subsection (a) applies with respect to—

“(1) any protest filed under subchapter V of chapter 35 of this title; or

“(2) an action commenced under administrative procedures or for a judicial remedy if—

“(A) the action involves a challenge to—

“(i) a solicitation for a contract;

“(ii) a proposed award of a contract;

“(iii) an award of a contract; or
 “(iv) the eligibility of an offeror or potential offeror for a contract or of the contractor awarded the contract; and
 “(B) commencement of the action delays or prevents an executive agency from making an award of a contract or proceeding with a procurement.”.

(b) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

“**§ 1558. Availability of funds following resolution of a formal protest or other challenge.**”.

(c) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 15 of title 31, United States Code, is amended to read as follows:

“1558. Availability of funds following resolution of a formal protest or other challenge.”.

TITLE LVI—CONFORMING AND CLERICAL AMENDMENTS

SEC. 5601. AMENDMENTS TO TITLE 10, UNITED STATES CODE.

(a) PROTEST FILE.—Section 2305(e) is amended by striking out paragraph (3).

(b) MULTIYEAR CONTRACTS.—Section 2306b of such title is amended—

(1) by striking out subsection (k); and

(2) by redesignating subsection (l) as subsection (k).

(c) LAW INAPPLICABLE TO PROCUREMENT OF INFORMATION TECHNOLOGY.—Section 2315 of title 10, United States Code, is amended by striking out “Section 111” and all that follows through “use of equipment or services if,” and inserting in lieu thereof the following: “For the purposes of the Information Technology Management Reform Act of 1996, the term ‘national security systems’ means those telecommunications and information systems operated by the Department of Defense, the functions, operation or use of which”.

SEC. 5602. AMENDMENTS TO TITLE 28, UNITED STATES CODE.

(a) REFERENCES TO BROOKS AUTOMATIC DATA PROCESSING ACT.—Section 612 of title 28, United States Code, is amended—

(1) in subsection (f), by striking out “section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759)” and inserting in lieu thereof “the provisions of law, policies, and regulations applicable to executive agencies under the Information Technology Management Reform Act of 1996”;

(2) in subsection (g), by striking out “sections 111 and 201 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 and 759)” and inserting in lieu thereof “section 201 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481)”;

(3) by striking out subsection (l); and

(4) by redesignating subsection (m) as subsection (l).

(b) REFERENCES TO AUTOMATIC DATA PROCESSING.—Section 612 of title 28, United States Code, is further amended—

(1) in the heading, by striking out the second word and inserting in lieu thereof “**Information Technology**”;

(2) in subsection (a), by striking out “Judiciary Automation Fund” and inserting in lieu thereof “Judiciary Information Technology Fund”; and

(3) by striking out “automatic data processing” and inserting in lieu thereof “information technology” each place it appears in subsections (a), (b), (c)(2), (e), (f), and (h)(1).

SEC. 5603. AMENDMENT TO TITLE 31, UNITED STATES CODE.

Section 3552 of title 31, United States Code, is amended by striking out the second sentence.

SEC. 5604. AMENDMENTS TO TITLE 38, UNITED STATES CODE.

Section 310 of title 38, United States Code, is amended to read as follows:

“§ 310. Chief Information Officer

“(a) The Chief Information Officer for the Department is designated pursuant to section 3506(a)(2) of title 44.

“(b) The Chief Information Officer performs the duties provided for chief information officers of executive agencies under chapter 35 of title 44 and the Information Technology Management Reform Act of 1996.”.

SEC. 5605. PROVISIONS OF TITLE 44, UNITED STATES CODE, RELATING TO PAPERWORK REDUCTION.

(a) DEFINITION.—Section 3502 of title 44, United States Code, is amended by striking out paragraph (9) and inserting in lieu thereof the following:

“(9) the term ‘information technology’ has the meaning given that term in section 5002 of the Information Technology Management Reform Act of 1996 but does not include national security systems as defined in section 5142 of that Act.”.

(b) DEVELOPMENT OF STANDARDS AND GUIDELINES BY NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.—Section 3504(h)(1)(B) of such title is amended by striking out “section 111(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(d))” and inserting in lieu thereof “section 5131 of the Information Technology Management Reform Act of 1996”.

(c) COMPLIANCE WITH DIRECTIVES.—Section 3504(h)(2) of such title is amended by striking out “sections 110 and 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 757 and 759)” and inserting in lieu thereof “the Information Technology Management Reform Act of 1996 and directives issued under section 110 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 757)”.

(d) COLLECTION OF INFORMATION.—Section 3507(j)(2) of such title is amended by striking out “90 days” in the second sentence and inserting in lieu thereof “180 days”.

SEC. 5606. AMENDMENT TO TITLE 49, UNITED STATES CODE.

Section 40112(a) of title 49, United States Code, is amended by striking out “or a contract to purchase property to which section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) applies”.

SEC. 5607. OTHER LAWS.

(a) NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY ACT.—Section 20 of the National Institute of Standards and Technology Act (15 U.S.C. 278g-3) is amended—

(1) in subsection (a)—

(A) by striking out “section 3502(2) of title 44” each place it appears in paragraphs (2) and (3) (A) and inserting in lieu thereof “section 3502(9) of title 44”; and

(B) in paragraph (4), by striking out “section 111(d) of the Federal Property and Administrative Services Act of 1949” and inserting in lieu thereof “section 5131 of the Information Technology Management Reform Act of 1996”;

(2) in subsection (b)—

(A) by striking out paragraph (2);

(B) in paragraph (3), by striking out “section 111(d) of the Federal Property and Administrative Services Act of 1949” and inserting in lieu thereof “section 5131 of the Information Technology Management Reform Act of 1996”; and

(C) by redesignating paragraphs (3), (4), (5), and (6) as paragraphs (2), (3), (4), and (5); and (3) in subsection (d)—

(A) in paragraph (1)(B)(v), by striking out “as defined” and all that follows and inserting in lieu thereof a semicolon; and

(B) in paragraph (2)—

(i) by striking out “system—” and all that follows through “means” in subparagraph (A) and inserting in lieu thereof “system means”; and

(ii) by striking out “; and” at the end of subparagraph (A) and all that follows through the end of subparagraph (B) and inserting in lieu thereof a semicolon.

(b) COMPUTER SECURITY ACT OF 1987.—

(1) PURPOSES.—Section 2(b)(2) of the Computer Security Act of 1987 (Public Law 100-235; 101 Stat. 1724) is amended by striking out “by amending section 111(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(d))”.

(2) SECURITY PLAN.—Section 6(b) of such Act (101 Stat. 1729; 40 U.S.C. 759 note) is amended—

(A) by striking out “Within one year after the date of enactment of this Act, each such agency shall, consistent with the standards, guidelines, policies, and regulations prescribed pursuant to section 111(d) of the Federal Property and Administrative Services Act of 1949,” and inserting in lieu thereof “Each such agency shall, consistent with the standards, guidelines, policies, and regulations prescribed pursuant to section 5131 of the Information Technology Management Reform Act of 1996,”; and

(B) by striking out “Copies” and all that follows through “Code.”.

(c) FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.—Section 303B(h) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b(h)) is amended by striking out paragraph (3).

(d) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—Section 6(h)(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 405(h)(1)) is amended by striking out “of automatic data processing and telecommunications equipment and services or”.

(e) NATIONAL ENERGY CONSERVATION POLICY ACT.—Section 801(b)(3) of the National Energy Conservation Policy Act (42 U.S.C. 8287(b)(3)) is amended by striking out the second sentence.

(f) CENTRAL INTELLIGENCE AGENCY ACT OF 1949.—Section 3 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403c) is amended by striking out subsection (e).

SEC. 5608. CLERICAL AMENDMENTS.

(a) FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.—The table of contents in section 1(b) of the Federal Property and Administrative Services Act of 1949 is amended by striking out the item relating to section 111.

(b) TITLE 38, UNITED STATES CODE.—The table of sections at the beginning of chapter 3 of title 38, United States Code, is amended by striking out the item relating to section 310 and inserting in lieu thereof the following:

“310. Chief Information Officer.”.

TITLE LVII—EFFECTIVE DATE, SAVINGS PROVISIONS, AND RULES OF CONSTRUCTION

SEC. 5701. EFFECTIVE DATE.

This division and the amendments made by this division shall take effect 180 days after the date of the enactment of this Act.

SEC. 5702. SAVINGS PROVISIONS.

(a) REGULATIONS, INSTRUMENTS, RIGHTS, AND PRIVILEGES.—All rules, regulations, contracts, orders, determinations, permits, certificates, licenses, grants, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the Administrator of General Services or the General Services Board of Contract Appeals, or by a court of competent jurisdiction, in connection with an acquisition activity carried out under the section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759), and

(2) which are in effect on the effective date of this division, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the Director or any other authorized official, by a court of competent jurisdiction, or by operation of law.

(b) PROCEEDINGS.—

(1) PROCEEDINGS GENERALLY.—This division and the amendments made by this division shall not affect any proceeding, including any proceeding involving a claim, application, or protest in connection with an acquisition activity carried out under section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) that is pending before the Administrator of General Services or the General Services Board of Contract Appeals on the effective date of this division.

(2) ORDERS.—Orders may be issued in any such proceeding, appeals may be taken therefrom, and payments may be made pursuant to such orders, as if this division had not been enacted. An order issued in any such proceeding shall continue in effect until modified, terminated, superseded, or revoked in accordance with law by the Director or any other authorized official, by a court of competent jurisdiction, or by operation of law.

(3) DISCONTINUANCE OR MODIFICATION OF PROCEEDINGS NOT PROHIBITED.—Nothing in this subsection prohibits the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(4) OTHER AUTHORITY AND PROHIBITION.—Section 1558(a) of title 31, United States Code, and the second sentence of section 3552 of such title shall continue to apply with respect to a protest process in accordance with this subsection.

(5) REGULATIONS FOR TRANSFER OF PROCEEDINGS.—The Director may prescribe regulations providing for the orderly transfer of proceedings continued under paragraph (1).

(c) STANDARDS AND GUIDELINES FOR FEDERAL COMPUTER SYSTEMS.—Standards and guidelines that are in effect for Federal computer systems under section 111(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(d)) on the day before the effective date of this division shall remain in effect until modified, terminated, superseded, revoked, or disapproved under the authority of section 5131 of this Act.

SEC. 5703. RULES OF CONSTRUCTION.

(a) RELATIONSHIP TO TITLE 44, UNITED STATES CODE.—Nothing in this division shall be construed to amend, modify, or supersede any provision of title 44, United States Code, other than chapter 35 of such title.

(b) RELATIONSHIP TO COMPUTER SECURITY ACT OF 1987.—Nothing in this division shall affect the limitations on authority that is provided for in the administration of the Computer Security Act of 1987 (Public Law 100-235) and the amendments made by such Act.

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same with an amendment as follows:

In lieu of the House amendment, amend the title so as to read: "An Act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, to reform acquisition laws and information technology management of the Federal Government, and for other purposes."

And the House agree to the same.

FLOYD SPENCE,
BOB STUMP,
DUNCAN HUNTER,
HERBERT H. BATEMAN,
CURT WELDON,
G. V. MONTGOMERY,
JOHN M. SPRATT, Jr.,

Managers on the Part of the House.

STROM THURMOND,
JOHN WARNER,
BILL COHEN,
TRENT LOTT,
SAM NUNN,

Managers on the Part of the Senate.

When said conference report was considered.

After debate,

By unanimous consent, the previous question was ordered on the conference report to its adoption or rejection.

The question being put, viva voce,

Will the House agree to said conference report?

The SPEAKER pro tempore, Mr. INGLIS, announced that the yeas had it.

Mr. DELLUMS objected to the vote on the ground that a quorum was not present and not voting.

A quorum not being present,

The roll was called under clause 4, rule XV, and the call was taken by electronic device.

When there appeared { Yeas 287
Nays 129

¶6.6

[Roll No. 16]

YEAS—287

Abercrombie	Coleman	Gilchrest
Ackerman	Collins (GA)	Gillmor
Allard	Combest	Gilman
Andrews	Cooley	Gonzalez
Archer	Costello	Goodlatte
Arney	Cox	Goodling
Bachus	Cramer	Goss
Baessler	Crane	Graham
Baker (CA)	Crapo	Green
Baker (LA)	Creameans	Greenwood
Baldacci	Cubin	Hall (OH)
Ballenger	Cunningham	Hall (TX)
Barcia	Danner	Hamilton
Barr	Davis	Hancock
Barrett (NE)	de la Garza	Hansen
Barton	Deal	Harman
Bass	DeLauro	Hastert
Bateman	DeLay	Hastings (FL)
Bentsen	Diaz-Balart	Hastings (WA)
Bereuter	Dickey	Hayes
Bevill	Dicks	Hayworth
Bilbray	Dooley	Hefley
Bilirakis	Doolittle	Hefner
Bishop	Dornan	Heineman
Bliley	Dreier	Hergert
Boehner	Dunn	Hilleary
Bonilla	Edwards	Hobson
Bono	Ehrlich	Hoke
Boucher	Emerson	Holden
Brewster	English	Horn
Browder	Everett	Hosettler
Brown (FL)	Ewing	Houghton
Brownback	Fawell	Hoyer
Bryant (TN)	Fazio	Hunter
Bunn	Fields (LA)	Hutchinson
Bunning	Fields (TX)	Hyde
Burr	Flanagan	Inglis
Burton	Foley	Istook
Buyer	Forbes	Jefferson
Callahan	Ford	Johnson (CT)
Calvert	Fowler	Johnson (SD)
Campbell	Fox	Johnson, E. B.
Canady	Franks (CT)	Johnson, Sam
Castle	Frelinghuysen	Jones
Chambliss	Frisa	Kasich
Christensen	Frost	Kelly
Clayton	Funderburk	Kennedy (RI)
Clinger	Galleghy	Kennelly
Clyburn	Gekas	Kildee
Coble	Gephardt	Kim
Coburn	Geran	King

Kingston	Nethercutt	Smith (NJ)
Knollenberg	Ney	Smith (TX)
Kolbe	Norwood	Smith (WA)
LaHood	Nussle	Solomon
Largent	Ortiz	Souder
Latham	Orton	Spence
LaTourette	Packard	Spratt
Laughlin	Parker	Stearns
Lazio	Pastor	Stenholm
Leach	Paxon	Stockman
Lewis (CA)	Payne (VA)	Stump
Lewis (KY)	Peterson (FL)	Talent
Lightfoot	Pickett	Tanner
Linder	Pombo	Tate
Lipinski	Pomeroy	Tauzin
Livingston	Porter	Taylor (MS)
Longley	Portman	Taylor (NC)
Lucas	Poshard	Tejeda
Manton	Pryce	Thomas
Manzullo	Quillen	Thompson
Martinez	Quinn	Thornberry
Mascara	Radanovich	Thornton
McCollum	Regula	Thurman
McCrery	Richardson	Tiahrt
McDade	Riggs	Torres
McHale	Roberts	Trafigant
McHugh	Rogers	Visclosky
McIntosh	Rohrabacher	Volkmer
McKeon	Ros-Lehtinen	Vucanovich
McNulty	Roth	Waldholtz
Meek	Salmon	Walker
Metcalf	Sanford	Walsh
Meyers	Sawyer	Wamp
Mica	Saxton	Watts (OK)
Miller (FL)	Scarborough	Weldon (FL)
Mink	Schaefer	Weldon (PA)
Molinari	Schiff	Weller
Mollohan	Scott	White
Montgomery	Seastrand	Whitfield
Moorhead	Shadegg	Wicker
Moran	Shaw	Wilson
Murtha	Shuster	Wolfe
Myers	Sisisky	Young (FL)
Myrick	Skeen	Zeliff
Neal	Skelton	

NAYS—129

Barrett (WI)	Gordon	Oberstar
Bartlett	Gunderson	Obey
Becerra	Gutierrez	Olver
Beilenson	Gutknecht	Owens
Blute	Hilliard	Pallone
Bonior	Hinchey	Payne (NJ)
Borski	Hoekstra	Pelosi
Brown (CA)	Jackson (IL)	Peterson (MN)
Brown (OH)	Jackson-Lee	Petri
Camp	(TX)	Rahall
Cardin	Jacobs	Ramstad
Chabot	Johnston	Reed
Hall (OH)	Kanjorski	Rivers
Chrysler	Kaptur	Roemer
Clay	Kennedy (MA)	Roukema
Collins (IL)	Kleczka	Roybal-Allard
Collins (MI)	Klink	Royce
Condit	Klug	Rush
Conyers	LaFalce	Sabo
Coyne	Lantos	Sanders
DeFazio	Dellums	Schroeder
Deutsch	Lewis (GA)	Schumer
Dingell	Lincoln	Sensenbrenner
Dixon	LoBiondo	Serrano
Doggett	Lofgren	Shays
Doyle	Lowe	Skaggs
Duncan	Luther	Slaughter
Durbin	Maloney	Stark
Ehlers	Markey	Stokes
Ehlers	Martini	Studds
Engel	Matsui	Stupak
Ensign	McCarthy	Torricelli
Eshoo	McDermott	Upton
Evans	McInnis	Velazquez
Farr	McKinney	Vento
Fattah	Meehan	Watt (NC)
Filner	Menendez	Williams
Flake	Mfume	Wise
Foglietta	Miller (CA)	Woolsey
Frank (MA)	Franks (NJ)	Wynn
Franks (NJ)	Furse	Yates
Furse	Ganske	Zimmer
Ganske	Johnson (CT)	
Gedjenson	Johnson (SD)	
Gibbons	Johnson, E. B.	
	Johnson, Sam	
	Jones	
	Kasich	
Berman	Kelly	Oxley
Boehler	Kennedy (RI)	Rangel
Bryant (TX)	Kennelly	Rose
Chapman	Kildee	Smith (MI)
Chenoweth	Kim	Torkildsen
Clement	King	Towns

NOT VOTING—17

	Ward
	Waters
	Waxman
	Wyden
	Young (AK)