

Gillmor	Lewis (KY)	Salmon
Gilman	Linder	Sanchez
Gonzalez	Livingston	Sandlin
Goode	LoBiondo	Sanford
Goodlatte	Lucas	Sawyer
Goodling	Maloney (CT)	Saxton
Gordon	Manton	Scarborough
Goss	Manzullo	Schaefer, Dan
Graham	Martinez	Schaffer, Bob
Granger	Mascara	Schumer
Green	Matsui	Scott
Greenwood	McCarthy (NY)	Sessions
Gutknecht	McCollum	Shadegg
Hall (OH)	McCrery	Shaw
Hall (TX)	McDade	Sherman
Hamilton	McHale	Shimkus
Hansen	McHugh	Shuster
Harman	McInnis	Sisisky
Hastert	McIntosh	Skaggs
Hastings (WA)	McIntyre	Skeen
Hayworth	McKeon	Skelton
Hefley	McNulty	Slaughter
Hefner	Menendez	Smith (MI)
Hill	Metcalf	Smith (NJ)
Hilleary	Mica	Smith (OR)
Hinojosa	Miller (FL)	Smith (TX)
Hobson	Moakley	Smith, Adam
Hoekstra	Molinari	Smith, Linda
Holden	Mollohan	Snowbarger
Horn	Moran (KS)	Snyder
Hostettler	Moran (VA)	Solomon
Houghton	Morella	Souder
Hoyer	Murtha	Spence
Hulshof	Myrick	Spratt
Hunter	Nethercutt	Stabenow
Hutchinson	Neumann	Stearns
Hyde	Ney	Stenholm
Inglis	Northup	Strickland
Istook	Norwood	Stump
Jackson-Lee	Nussle	Stupak
(TX)	Ortiz	Sununu
Jefferson	Oxley	Talent
Jenkins	Packard	Tanner
John	Pallone	Tauscher
Johnson (CT)	Pappas	Tauzin
Johnson (WI)	Parker	Taylor (MS)
Johnson, E. B.	Pastor	Taylor (NC)
Johnson, Sam	Paxon	Thomas
Jones	Pease	Thompson
Kanjorski	Peterson (MN)	Thornberry
Kaptur	Peterson (PA)	Thune
Kasich	Pickering	Thurman
Kelly	Pickett	Tiahrt
Kennedy (RI)	Pitts	Traficant
Kennelly	Porter	Turner
Kildee	Portman	Upton
Kim	Poshard	Visclosky
King (NY)	Price (NC)	Walsh
Kingston	Pryce (OH)	Wamp
Klecicka	Quinn	Watkins
Klink	Radanovich	Watts (OK)
Knollenberg	Redmond	Weldon (FL)
Kolbe	Regula	Weldon (PA)
LaFalce	Reyes	Weller
LaHood	Riggs	Wexler
Lampson	Riley	Weygand
Lantos	Rodriguez	White
Largent	Roemer	Whitfield
Latham	Rogan	Wicker
LaTourette	Rogers	Wise
Lazio	Ros-Lehtinen	Wolf
Leach	Rothman	Wynn
Levin	Roybal-Allard	Young (AK)
Lewis (CA)	Ryun	Young (FL)

NOT VOTING—13

Ackerman	Herger	Pomeroy
Conyers	Lipinski	Schiff
DeGette	Miller (CA)	Torres
Dooley	Oberstar	
Gephardt	Pombo	

So the amendment was not agreed to.
After some further time,

¶68.15 RECORDED VOTE

A recorded vote by electronic device was ordered in the Committee of the Whole on the following amendment submitted by Mr. SPENCE:

Strike out section 308 (page 47, lines 14 through 21) and, at the end of division A (page 379, after line 19), insert the following new titles:

TITLE XIII—DEFENSE PERSONNEL REFORMS

SEC. 1301. REDUCTION IN PERSONNEL ASSIGNED TO MANAGEMENT HEADQUARTERS AND HEADQUARTERS SUPPORT ACTIVITIES.

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

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

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

“(b) PHASED REDUCTION.—The number of management headquarters and headquarters support activities personnel in the Department of Defense—

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

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

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

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

“(d) MANAGEMENT HEADQUARTERS AND HEADQUARTERS SUPPORT ACTIVITIES PERSONNEL DEFINED.—In this section:

“(1) The term ‘management headquarters and headquarters support activities personnel’ means military and civilian personnel of the Department of Defense who are assigned to, or employed in, functions in management headquarters activities or in management headquarters support activities.

“(2) The terms ‘management headquarters activities’ and ‘management headquarters support activities’ have the meanings given those terms in Department of Defense Directive 5100.73, entitled ‘Department of Defense Management Headquarters and Headquarters Support Activities’, as in effect on November 12, 1996.

“(e) LIMITATION ON REASSIGNMENT OF FUNCTIONS.—In carrying out reductions in the number of personnel assigned to, or employed in, management headquarters and headquarters support activities in order to comply with this section, the Secretary of Defense and the Secretaries of the military departments may not reassign functions in order to evade the requirements of this section.

“(f) FLEXIBILITY.—If the Secretary of Defense determines, and certifies to Congress, that the limitation in subsection (b) with respect to any fiscal year would adversely affect United States national security, the Secretary may waive the limitation under that subsection with respect to that fiscal year. If the Secretary of Defense determines, and certifies to Congress, that the limitation in subsection (a) during fiscal year 2001 would adversely affect United States national security, the Secretary may waive the limitation under that subsection with respect to that fiscal year. The authority under this subsection may be used only once, with respect to a single fiscal year.”

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

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

(b) IMPLEMENTATION REPORT.—Not later than January 15, 1998, the Secretary of Defense shall submit to Congress a report—

(1) containing a plan to achieve the personnel reductions required by section 130a of

title 10, United States Code, as added by subsection (a); and

(2) including the recommendations of the Secretary regarding—

(A) the revision, replacement, or augmentation of Department of Defense Directive 5100.73, entitled ‘Department of Defense Management Headquarters and Headquarters Support Activities’, as in effect on November 12, 1996; and

(B) the revision of the definitions of the terms ‘management headquarters activities’ and ‘management headquarters support activities’ under that Directive so that those terms apply uniformly throughout the Department of Defense.

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

(A) a heading as follows:

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

and

(B) a text consisting of the text of subsections (a) through (f) of section 903 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201; 110 Stat. 2617).

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

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

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

SEC. 1302. ADDITIONAL REDUCTION IN DEFENSE ACQUISITION WORKFORCE.

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

“§ 1765. Limitations on number of personnel

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

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

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

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

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

“(c) BASELINE NUMBER.—For purposes of this section, the baseline number is the total number of defense acquisition personnel as of October 1, 1997.

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

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

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

“1765. Limitations on number of personnel.”

(b) IMPLEMENTATION REPORT.—Not later than January 15, 1998, the Secretary of Defense shall submit to Congress a report—

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

(2) containing any recommendations (including legislative proposals) that the Sec-

retary considers necessary to fully achieve such reductions.

(c) TECHNICAL REFERENCE CORRECTION.—Section 1721(c) of title 10, United States Code, is amended by striking out “November 25, 1988” and inserting in lieu thereof “November 12, 1996”.

SEC. 1303. AVAILABILITY OF FUNDS FOR SEPARATION PAY FOR DEFENSE ACQUISITION PERSONNEL.

Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities, \$100,000,000 shall be available only for the payment of separation pay under section 5597 of title 5, United States Code, to civilian employees of the Department of Defense who are defense acquisition personnel (as defined in section 1765(d) of title 10, United States Code).

SEC. 1304. PERSONNEL REDUCTIONS IN UNITED STATES TRANSPORTATION COMMAND.

(a) PURPOSE OF REDUCTION.—The purpose of the reduction in the number of United States Transportation Command personnel is to recognize and continue the effort of the Secretary of Defense to achieve the United States Transportation Command re-engineering reform plan to eliminate administrative duplication and process inefficiencies.

(b) REDUCTION IN UNITED STATES TRANSPORTATION COMMAND PERSONNEL.—(1) Effective October 1, 1998, the number of United States Transportation Command personnel may not exceed the number equal to the baseline number reduced by 1,000.

(2) For purposes of this section, the baseline number is the total number of United States Transportation Command personnel as of September 30, 1997.

(c) UNITED STATES TRANSPORTATION COMMAND PERSONNEL DEFINED.—For purposes of this section, the term “United States Transportation Command personnel” means military and civilian personnel who are assigned to, or employed in, the United States Transportation Command Headquarters, Air Force Air Mobility Command, Navy Military Sealift Command, Army Military Traffic Management Command, and Defense Courier Service.

(d) SOURCE OF REDUCTIONS.—In reducing the number of United States Transportation Command personnel as required by subsection (b), the Secretary of Defense shall limit such reductions to the United States Transportation Command personnel who are in the following occupational classifications established to group similar occupations and work positions into a consistent structure:

(1) Enlisted members in the Functional Support and Administration classification (designated as occupational code 5XX), as described in Department of Defense Instruction 1312.1, dated August 9, 1995, regarding “Department of Defense Occupational Information Collection and Reporting”.

(2) Officers in the General Officers and Executives classification (designated as occupational code 1XX), Administrators (designated as occupational code 7XX), and Supply, Procurement, and Allied Officers classification (designated as occupational code 8XX), as described in such instruction.

(3) Civilian personnel in the Program Management classification (designated as occupational code GS-0340), Accounting and Budget classification (designated as occupational code GS-0500 and related codes), Business and Industry classification (designated as occupational code GS-1100 and related codes), and Supply classification (designated as occupational code GS-2000 and related codes), as described in Office of Personnel Management document EI-12, dated November 1, 1995, entitled “Federal Occupational Groups”.

(e) WAIVER AUTHORITY.—The Secretary of Defense may waive or suspend operation of this section in the event of a war or national emergency.

TITLE XIV—DEFENSE BUSINESS PRACTICES REFORMS

Subtitle A—Competitive Procurement Requirements

SEC. 1401. COMPETITIVE PROCUREMENT OF FINANCE AND ACCOUNTING SERVICES.

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

“§ 2784. Competitive procurement of finance and accounting services

“(a) STUDY AND REPORT.—(1) Not later than December 1, 1997, the Secretary of Defense shall initiate a study regarding the competitive procurement of finance and accounting services for the Department of Defense, including non-appropriated fund instrumentalities of the Department of Defense. The study shall analyze the conduct of competitions among private-sector sources and the Defense Finance and Accounting Service and other interested Federal agencies.

“(2) Not later than June 1, 1998, the Secretary of Defense shall submit to Congress a report containing the results of the study conducted under paragraph (1).

“(b) COMPETITIVE PROCUREMENT REQUIRED.—Beginning not later than October 1, 1999, the Secretary of Defense shall competitively procure finance and accounting services for the Department of Defense, including nonappropriated fund instrumentalities of the Department of Defense. The Secretary shall conduct competitions among private-sector sources and the Defense Finance and Accounting Service and other interested Federal agencies. Such a competition shall not involve competition between components of the Defense Finance and Accounting Service.

“(c) IMPROVEMENT OF COMPETITIVE ABILITY.—Before conducting a competition under subsection (b) for the procurement of finance and accounting services that are being provided by a component of the Defense Finance and Accounting Service, the Secretary of Defense shall provide the component with an opportunity to establish its most efficient organization.”

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

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

SEC. 1402. COMPETITIVE PROCUREMENT OF SERVICES TO DISPOSE OF SURPLUS DEFENSE PROPERTY.

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

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

“(a) COMPETITIVE PROCUREMENT OF SERVICES.—Beginning not later than October 1, 1998, the Secretary of Defense shall competitively procure services for the Department of Defense in connection with the disposal of surplus property at each site at which the Defense Reutilization and Marketing Service operates. The Secretary shall conduct competitions among private-sector sources and the Defense Reutilization and Marketing Service and other interested Federal agencies for the performance of all such services at a particular site.

“(b) IMPROVEMENT OF COMPETITIVE ABILITY.—Before conducting a competition under subsection (a) for the procurement of services described in such subsection that are being provided by a component of the De-

fense Reutilization and Marketing Service, the Secretary of Defense shall provide the component with an opportunity to establish its most efficient organization.

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

“(1) the type and volume of such services procured by the Department of Defense during that fiscal year from the Defense Reutilization and Marketing Service and from other sources;

“(2) the former sites of the Defense Reutilization and Marketing Service operated during that fiscal year by contractors (other than the Defense Reutilization and Marketing Service); and

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

“(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to alter the requirements regarding the identification or demilitarization of an item of excess property or surplus property of the Department of Defense before the disposal of the item.

“(e) DEFINITIONS.—In this section:

“(1) The term ‘surplus property’ means any personal excess property which is not required for the needs and the discharge of the responsibilities of all Federal agencies and the disposal of which is the responsibility of the Department of Defense.

“(2) The term ‘excess property’ means any personal property under the control of the Department of Defense which is not required for its needs and the discharge of its responsibilities, as determined by the Secretary of Defense.”

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

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

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

(1) containing a plan to implement the competitive procurement requirements of section 2573 of title 10, United States Code, as added by subsection (a); and

(2) identifying other functions of the Defense Reutilization and Marketing Service that the Secretary considers suitable for performance by private-sector sources.

SEC. 1403. COMPETITIVE PROCUREMENT OF FUNCTIONS PERFORMED BY DEFENSE INFORMATION SYSTEMS AGENCY.

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

“§ 2474. Competitive procurement of information services

“(a) STUDY AND REPORT.—(1) Not later than December 1, 1997, the Secretary of Defense shall initiate a study regarding the competitive procurement of those commercial and industrial type functions performed before the date of the enactment of this Act by the Defense Information Systems Agency, with particular regard to the functions performed at the entities known as megacenters. The study shall analyze the conduct of competitions among private-sector sources and the Defense Information Systems Agency and other interested Federal agencies.

“(2) Not later than June 1, 1998, the Secretary of Defense shall submit to Congress a report containing the results of the study conducted under paragraph (1).

“(b) COMPETITIVE PROCUREMENT REQUIRED.—Beginning not later than October 1,

1999, the Secretary of Defense shall competitively procure those commercial and industrial type functions performed before that date by the Defense Information Systems Agency. The Secretary shall conduct competitions among private-sector sources and the Defense Information Systems Agency and other interested Federal agencies.

“(c) IMPROVEMENT OF COMPETITIVE ABILITY.—Before conducting a competition under subsection (b) for the procurement of information services that are being provided by a component of the Defense Information Systems Agency, the Secretary of Defense shall provide the component with an opportunity to establish its most efficient organization.

“(d) EXCEPTION FOR CLASSIFIED FUNCTIONS.—(1) The requirement of subsection (b) shall not apply to the procurement of services involving a classified function performed by the Defense Information Systems Agency.

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

“(A) involve intelligence activities;

“(B) involve cryptologic activities related to national security;

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

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

“(E) are critical to the direct fulfillment of military or intelligence missions (other than routine administrative and business applications, such as payroll, finance, logistics, and personnel management applications).”

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

“2474. Competitive procurement of information services.”

SEC. 1404. COMPETITIVE PROCUREMENT OF PRINTING AND DUPLICATION SERVICES.

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

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

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

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

“(d) PROHIBITION ON IMPOSITION OF SURCHARGE.—The Defense Automation and Printing Service may not impose a surcharge on any printing and duplication service for the Department of Defense that is procured from a source outside of the Department.”

SEC. 1405. COMPETITIVE PROCUREMENT OF CERTAIN OPHTHALMIC SERVICES.

(a) COMPETITIVE PROCUREMENT REQUIRED.—Beginning not later than October 1, 1998, the Secretary of Defense shall competitively procure from private-sector sources, or other sources outside of the Department of Defense, all ophthalmic services related to the provision of single vision and multivision eyewear for members of the Armed Forces, retired members, and certain covered beneficiaries under chapter 55 of title 10, United States Code, who would otherwise receive such ophthalmic services through the Department of Defense.

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

(1) is necessary to meet the readiness requirements of the Armed Forces; or

(2) is more cost effective.

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

SEC. 1406. COMPETITIVE PROCUREMENT OF COMMERCIAL AND INDUSTRIAL TYPE FUNCTIONS BY DEFENSE AGENCIES.

(a) COMPETITION REQUIRED.—Section 2461 of title 10, United States Code, is amended—

(1) by redesignating subsection (g) as subsection (h); and

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

“(g) COMPETITIVE PROCUREMENT BY DEFENSE AGENCIES.—(1) Beginning not later than September 30, 1999 (unless an earlier effective date is otherwise required for a specific Defense Agency), the Secretary of Defense shall competitively procure those commercial and industrial type functions performed before that date by a Defense Agency. The Secretary shall conduct competitions among private-sector sources and the Defense Agency involved and other interested Federal agencies.

“(2) Before conducting a competition under subsection (a) for the procurement of a commercial or industrial type function that is being performed by a component of a Defense Agency, the Secretary of Defense shall provide the component with an opportunity to establish its most efficient organization.

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

(b) IMPLEMENTATION REPORT.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report containing a plan to implement the competitive procurement requirements of section 2461(g) of title 10, United States Code, as added by subsection (a).

Subtitle B—Reform of Conversion Process

SEC. 1411. DEVELOPMENT OF STANDARD FORMS REGARDING PERFORMANCE WORK STATEMENT AND REQUEST FOR PROPOSAL FOR CONVERSION OF CERTAIN OPERATIONAL FUNCTIONS OF MILITARY INSTALLATIONS.

(a) STANDARD FORMS REQUIRED.—Chapter 146 of title 10, United States Code, is amended by inserting after section 2474, as added by section 1403, the following new section:

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

“(a) STANDARDIZATION OF REQUIREMENTS.—

(1) The Secretary of Defense shall develop standard forms (to be known as a ‘standard performance work statement’ and a ‘standard request for proposal’) to be used in the consideration for conversion to contractor performance of those commercial services and functions at military installations that have been converted to contractor performance at a rate of 50 percent or more, as determined under subsection (c).

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

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

“(b) INAPPLICABILITY OF ELEMENTS OF OMB CIRCULAR A-76.—On and after October 1, 1998, the procedures and requirements of Office of

Management and Budget Circular A-76 regarding performance work statements and requests for proposals shall not apply with respect to the conversion to contractor performance at a military installation of a service or function for which a standard form is required under subsection (a).

“(c) DETERMINATION OF CONTRACTOR PERFORMANCE PERCENTAGE.—In determining the percentage at which a particular commercial service or function at military installations has been converted to contractor performance, the Secretary of Defense shall take into consideration all military installations and use the final estimate of the percentage of contractor performance of services and functions contained in the most recent commercial and industrial activity inventory database established under Office of Management and Budget Circular A-76.

“(d) EXCLUSION OF MULTI-FUNCTION CONVERSION.—If a commercial service or function for which a standard form is developed under subsection (a) is combined with another service or function (for which such a form is not required) for purposes of considering the services and functions at the military installation for conversion to contractor performance, a standard form developed under subsection (a) may not be used in the conversion process in lieu of the procedures and requirements of Office of Management and Budget Circular A-76 regarding performance work statements and requests for proposals.

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

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

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2474, as added by section 1403, the following new item:

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

SEC. 1412. STUDY AND NOTIFICATION REQUIREMENTS FOR CONVERSION OF COMMERCIAL AND INDUSTRIAL TYPE FUNCTIONS TO CONTRACTOR PERFORMANCE.

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

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

“(2) A study of a commercial or industrial type function for possible conversion to contractor performance shall include the following:

“(A) A comparison of the performance of the function by Department of Defense civilian employees and by private contractor to determine whether contractor performance will result in savings to the Government over the life of the contract.

“(B) An examination of the potential economic effect on employees who would be affected by the conversion, and the potential

economic effect on the local community and the United States if more than 75 employees perform the function.

“(C) An examination of the effect of contracting for performance of the function on the military mission of the function.

“(b) NOTIFICATION OF CONVERSION DECISION.—If, as a result of the completion of a study under subsection (a) regarding the possible conversion of a function to performance by a private contractor, a decision is made to convert the function to contractor performance, the Secretary of Defense shall notify Congress of the conversion decision. The notification shall—

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

“(2) certify that the comparison required by subsection (a)(2)(A) as part of the study demonstrates that the performance of the function by a private contractor will result in savings to the Government over the life of the contract;

“(3) certify that the entire comparison is available for examination; and

“(4) contain a timetable for completing conversion of the function to contractor performance.”

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

SEC. 1413. COLLECTION AND RETENTION OF COST INFORMATION DATA ON CONTRACTED OUT SERVICES AND FUNCTIONS.

(a) COLLECTION AND RETENTION REQUIRED.—Section 2463 of title 10, United States Code, is amended—

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

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

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

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

(1) in subsection (b), as redesignated by subsection (a)(1)—

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

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

(2) in subsection (c), as redesignated by subsection (a)(1)—

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

(B) by striking out “This section” and inserting in lieu thereof “Subsection (b)”.

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

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

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

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

Subtitle C—Other Reforms

SEC. 1421. REDUCTION IN OVERHEAD COSTS OF INVENTORY CONTROL POINTS.

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

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

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

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

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

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

(2) The term “net sales at standard price” has the meaning given that term in the March 1996 Department of Defense Financial Management Regulations, Volume 2B, Chapter 9, and displayed in “Exhibit Fund—14 Revenue and Expenses” for the supply management business areas.

SEC. 1422. CONSOLIDATION OF PROCUREMENT TECHNICAL ASSISTANCE AND ELECTRONIC COMMERCE TECHNICAL ASSISTANCE.

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

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

(2) Section 2413 is amended—

(A) in subsection (b), by striking out “procurement technical assistance” and inserting in lieu thereof “both procurement technical assistance and electronic commerce technical assistance”; and

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

(b) REQUIREMENT TO USE COMPETITIVE PROCEDURES.—Section 2413 of such title is amended by adding at the end the following new subsection:

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

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

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

(2) by inserting before subsection (b) (as designated by paragraph (1)) the following:

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

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

“CHAPTER 142—PROCUREMENT AND ELECTRONIC COMMERCE TECHNICAL ASSISTANCE PROGRAM”.

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

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

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

“§ 2417. Funding provisions”.

(4) The table of sections at the beginning of chapter 142 of such title is amended by striking out the item relating to section 2417 and inserting in lieu thereof the following:

“2417. Funding provisions.”

SEC. 1423. PERMANENT AUTHORITY REGARDING CONVEYANCE OF UTILITY SYSTEMS.

(a) IN GENERAL.—Chapter 159 of title 10, United States Code, is amended by inserting after section 2687 the following new section: **“§ 2688. Utility systems: permanent conveyance authority**

“(a) CONVEYANCE AUTHORITY.—The Secretary of a military department may convey a utility system, or part of a utility system, under the jurisdiction of the Secretary to a municipal, private, regional, district, or cooperative utility company or other entity. The conveyance may consist of all right, title, and interest of the United States in the utility system or such lesser estate as the Secretary considers appropriate to serve the interests of the United States.

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

“(1) Electrical generation and supply systems.

“(2) Water supply and treatment systems.

“(3) Wastewater collection and treatment systems.

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

“(5) Natural gas supply systems.

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

“(7) Similar utility systems.

“(c) CONSIDERATION.—(1) The Secretary of a military department may accept consideration received for a conveyance under subsection (a) in the form of a cash payment or a reduction in utility rate charges for a period of time sufficient to amortize the monetary value of the utility system, including any real property interests, conveyed.

“(2) Cash payments received shall be credited to an appropriation account designated as appropriate by the Secretary of Defense. Amounts so credited shall be available for the same time period as the appropriation credited and shall be used only for the purposes authorized for that appropriation.

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

“(1) the Secretary of the military department concerned submits to the appropriate committees of Congress (as defined in section 2801(c)(4) of this title) a report containing an economic analysis (based upon accepted life-cycle costing procedures approved by the Secretary of Defense) which demonstrates that the full cost to the United States of the proposed conveyance is cost-effective when compared with alternative means of furnishing the same utility systems; and

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

“(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the military department

concerned may require such additional terms and conditions in a conveyance entered into under subsection (a) as the Secretary considers appropriate to protect the interests of the United States."

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

"2688. Utility systems: permanent conveyance authority."

TITLE XV—MISCELLANEOUS ADDITIONAL DEFENSE REFORMS

SEC. 1501. LONG-TERM CHARTER CONTRACTS FOR ACQUISITION OF AUXILIARY VESSELS FOR THE DEPARTMENT OF DEFENSE.

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

"§ 7233. Auxiliary vessels: authority for long-term charter contracts

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

"(1) The combat logistics force of the Navy.

"(2) The strategic sealift program of the Navy.

"(3) Other auxiliary support vessels for the Department of Defense.

"(b) CONTRACTS REQUIRED TO BE AUTHORIZED BY LAW.—A contract may be entered into under this section with respect to specific vessels only if the Secretary is specifically authorized by law to enter into such a contract with respect to those vessels.

"(c) FUNDS FOR CONTRACT PAYMENTS.—The Secretary may make payments for contracts entered into under this section using funds available for obligation during the fiscal year for which the payments are required to be made. Any such contract shall provide that the United States will not be required to make a payment under the contract (other than a termination payment, if required) before October 1, 2000.

"(d) BUDGETING PROVISIONS.—Any contract entered into under this section shall be treated as a multiyear service contract and as an operating lease for purposes of any provision of law relating to the Federal budget and Federal budget accounting procedures, including part C of title II of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.), and any regulation or directive (including any directive of the Office of Management and Budget) prescribed with respect to the Federal budget and Federal budget accounting procedures.

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

"(f) OPTION TO BUY.—A contract entered into under the authority of this section may contain options for the United States to purchase one or more of the vessels covered by the contract at any time during, or at the end of, the contract period (including any option period) upon payment of an amount not in excess of the unamortized portion of the cost of the vessels plus amounts incurred in connection with the termination of the financing arrangements associated with the vessels.

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

"(1) shall have been constructed in a shipyard within the United States; and

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

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

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

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

"(2) There is a reasonable expectation that throughout the contemplated contract or option period the Secretary of the Navy (or, if the contract is for services to be provided to, and funded by, another military department, the Secretary of that military department) will request funding for the contract at the level required to avoid contract cancellation.

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

"(j) SOURCE OF FUNDS FOR TERMINATION LIABILITY.—If a contract entered into under this section is terminated, the costs of such termination may be paid from—

"(1) amounts originally made available for performance of the contract;

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

"(3) funds appropriated for those costs."

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

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

SEC. 1502. FIBER-OPTICS BASED TELECOMMUNICATIONS LINKAGE OF MILITARY INSTALLATIONS.

(a) INSTALLATION REQUIRED.—In at least one metropolitan area of the United States containing multiple military installations of one or more military department or Defense Agency, the Secretary of Defense shall provide for the installation of fiber-optics based telecommunications technology to link as many of the installations in the area as practicable in a privately dedicated telecommunications network. The Secretary shall use a competitive process to provide for the installation of the telecommunications network through one or more new contracts.

(b) FEATURES OF NETWORK.—The telecommunications network shall provide direct access to local and long distance telephone carriers, allow for transmission of both classified and unclassified information, and take advantage of the various capabilities of fiber-optics based telecommunications technology.

(c) TIME FOR INSTALLATION.—The telecommunications network or networks to be installed under this section shall be installed and operational not later than September 30, 1999.

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

SEC. 1503. REPEAL OF REQUIREMENT FOR CONTRACTOR GUARANTEES ON MAJOR WEAPON SYSTEMS.

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

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

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

(A) in subsection (a), by striking out "2403,";

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

(C) by redesignating subsection (d) as subsection (c).

SEC. 1504. REQUIREMENTS RELATING TO MICRO-PURCHASES OF COMMERCIAL ITEMS.

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

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

"(A) the source or sources available for the commercial item do not accept a preferred micro-purchase method, and the contracting officer is seeking a source that does accept such a method; or

"(B) the nature of the commercial item necessitates a contract or purchase order so that terms and conditions can be specified.

"(2) In this subsection:

"(A) The term 'micro-purchase threshold' has the meaning provided in section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428).

"(B) The term 'preferred micro-purchase method' means the use of the Government-wide commercial purchase card or any other method for carrying out micro-purchases that Secretary of Defense prescribes in the regulations implementing this subsection.

(3) The Secretary of Defense shall prescribe regulations to implement this subsection. The regulations shall include such additional preferred methods of carrying out micro-purchases, and such exceptions to the requirement of paragraph (1), as the Secretary considers appropriate."

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

SEC. 1505. AVAILABILITY OF SIMPLIFIED PROCEDURES TO COMMERCIAL ITEM PROCUREMENTS.

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

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

SEC. 1506. TERMINATION OF THE ARMED SERVICES PATENT ADVISORY BOARD.

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

(b) TRANSFER OF FUNCTIONS.—All functions performed on the day before the date of the enactment of this Act by the Armed Services Patent Advisory Board (including performance of the responsibilities of the Department of Defense for security review of patent applications under chapter 17 of title 35, United States Code) shall be transferred to the Defense Technology Security Administration.

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

SEC. 1507. COORDINATION OF DEPARTMENT OF DEFENSE CRIMINAL INVESTIGATIONS AND AUDITS.

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

“§ 182. Board on Criminal Investigations

“(a) ESTABLISHMENT.—(1) There is in the Department of Defense a Board on Criminal Investigations. The Board consists of the following officials:

“(A) The Assistant Secretary of Defense for Command, Control, Communications, and Intelligence.

“(B) The head of the Army Criminal Investigation Command.

“(C) The head of the Naval Criminal Investigative Service.

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

“(2) To ensure cooperation between the military department criminal investigative organizations and the Defense Criminal Investigative Service, the Inspector General of the Department of Defense shall serve as a nonvoting member of the Board.

“(b) FUNCTIONS OF BOARD.—The Board shall provide for coordination and cooperation between the military department criminal investigative organizations so as to avoid duplication of effort and maximize resources available to the military department criminal investigative organizations.

“(c) REGIONAL WORKING GROUPS.—The Board shall establish working groups at the regional level to address and resolve issues of jurisdictional responsibility that may arise regarding criminal investigations involving a military department criminal investigative organization. A working group shall consist of managers or supervisors of the military department criminal investigative organizations who have the authority to make binding decisions regarding which organization will conduct a particular criminal investigation or whether a criminal investigation should be conducted jointly.

“(d) AUTHORITY OF ASSISTANT SECRETARY.—In the event that a regional working group or the Board is unable to resolve an issue of investigative responsibility, the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence shall have the responsibility to make a final determination regarding the issue.

“(e) MILITARY DEPARTMENT CRIMINAL INVESTIGATIVE ORGANIZATION DEFINED.—In this section, the term ‘military department criminal investigative organization’ means any of the following:

“(1) The Army Criminal Investigation Command.

“(2) The Naval Criminal Investigative Service.

“(3) The Air Force Office of Special Investigations.”

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

“§ 183. Board on Audits

“(a) ESTABLISHMENT.—(1) There is in the Department of Defense a Board on Audits. The Board consists of the following officials:

“(A) The Under Secretary of Defense (Comptroller).

“(B) The Auditor General of the Army.

“(C) The Auditor General of the Navy.

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

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

“(2) To ensure cooperation between the defense auditing organizations and the Office

of the Inspector General of the Department of Defense, the Inspector General of the Department of Defense shall serve as a nonvoting member of the Board.

“(b) FUNCTIONS OF BOARD.—The Board shall provide for coordination and cooperation between the defense auditing organizations so as to avoid duplication of effort and maximize resources available to the defense auditing organizations.

“(c) REGIONAL WORKING GROUPS.—The Board shall establish working groups at the regional level to address and resolve issues of jurisdictional responsibility that may arise regarding audits involving a defense auditing organization. A working group shall consist of managers or supervisors of the defense auditing organizations who have the authority to make binding decisions regarding which defense auditing organization will conduct a particular audit or whether an audit should be conducted jointly.

“(d) AUTHORITY OF UNDER SECRETARY OF DEFENSE (COMPTROLLER).—In the event that a regional working group or the Board is unable to resolve an issue of jurisdictional responsibility, the Under Secretary of Defense (Comptroller) shall have the responsibility to make a final determination regarding the issue.

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

“(1) The Army Audit Agency.

“(2) The Naval Audit Service.

“(3) The Air Force Audit Agency.

“(4) The Defense Contract Audit Agency.”

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

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

“182. Board on Criminal Investigations.

“183. Board on Audits.”

SEC. 1508. DEPARTMENT OF DEFENSE BOARDS, COMMISSIONS, AND ADVISORY COMMITTEES.

(a) TERMINATION OF EXISTING ADVISORY COMMITTEES.—(1) Effective December 31, 1998, any advisory committee established in, or administered or funded (in whole or in part) by, the Department of Defense that (A) is in existence on the day before the date of the enactment of this Act, and (B) was not established by law, or expressly continued by law, after January 1, 1995, is terminated.

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

(b) REPORT ON COMMITTEES FOR WHICH CONTINUATION IS REQUESTED.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report setting forth those advisory committees subject to subsection (a) that the Secretary proposes to continue. The Secretary shall include in the report, for each such committee, the justification for continuing the committee and a statement of the costs of such continuation over the next four fiscal years. The Secretary shall include in the report a proposal for any legislation that may be required for the continuations proposed in the report.

(c) POLICY FOR FUTURE DOD ADVISORY COMMITTEES.—(1) Chapter 7 of title 10, United States Code, is amended by inserting after section 183, as added by section 1507(b), the following new section:

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

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

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

“(c) EXCEPTION FOR TEMPORARY ADVISORY COMMITTEES.—Subsection (a) does not apply to an advisory committee established for a period of one year or less for the purpose (as set forth in the charter of the advisory committee) of examining a matter that is critical to the national security of the United States.

“(d) ANNUAL REPORT.—Not later than March 1 of each year (beginning in 1999), the Secretary of Defense shall submit to Congress a report on advisory committees of the Department of Defense. In each such report, the Secretary shall identify each advisory committee that the Secretary proposes to support during the next fiscal year and shall set forth the justification for each such committee and the projected costs for that committee for the next fiscal year. In the case of any advisory committee that is to terminate in the year following the year in which the report is submitted pursuant to subsection (b) and that the Secretary proposes be continued by law, the Secretary shall include in the report a request for continuation of the committee and a justification and cost estimate for such continuation.

“(e) ADVISORY COMMITTEE DEFINED.—In this section, the term ‘advisory committee’ means an entity that is subject to the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).”

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 183, as added by section 1507(d), the following new item:

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

SEC. 1509. ADVANCES FOR PAYMENT OF PUBLIC SERVICES.

(a) IN GENERAL.—Subsection (a) of section 2396 of title 10, United States Code, is amended—

(1) by striking out “and” at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof “; and”; and

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

“(4) public service utilities.”

(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

“§ 2396. Advances for payments for compliance with foreign laws, rent in foreign countries, tuition, public utility services, and pay and supplies of armed forces of friendly foreign countries”.

(2) The item relating to such section in the table of sections at the beginning of chapter 141 of such title is amended to read as follows:

“2396. Advances for payments for compliance with foreign laws, rent in foreign countries, tuition, public utility services, and pay and supplies of armed forces friendly foreign countries.”

TITLE XVI—COMMISSION ON DEFENSE ORGANIZATION AND STREAMLINING

SEC. 1601. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the "Commission on Defense Organization and Streamlining" (hereinafter in this title referred to as the "Commission").

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

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

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

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

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

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

(c) QUALIFICATIONS.—Members of the Commission shall be appointed from among private United States citizens with knowledge and expertise in organization and management matters.

(d) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall be filled in the same manner as the original appointment.

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

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

(f) SECURITY CLEARANCES.—The Secretary of Defense shall expedite the processing of appropriate security clearances for members of the Commission.

SEC. 1602. DUTIES OF COMMISSION.

(a) IN GENERAL.—(1) The Commission shall examine the missions, functions, and responsibilities of the Office of the Secretary of Defense, the management headquarters and headquarters support activities of the military departments and Defense Agencies, and the various acquisition organizations of the Department of Defense (and the relationships among such Office, activities, and organizations).

(2) On the basis of such examination, the Commission shall propose alternative organizational structures and alternative allocations of authorities as it considers appropriate.

(b) DUPLICATION AND REDUNDANCY.—In carrying out its duties, the Commission shall identify areas of duplication and recommend options to streamline, reduce, and eliminate redundancies.

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

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

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

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

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

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

(6) An assessment of any benefits or efficiencies derived from decentralizing certain functions currently performed by the Office of the Secretary of Defense.

(d) SPECIAL REQUIREMENTS REGARDING HEADQUARTERS.—The examination of the missions, functions, and responsibilities of the management headquarters and headquarters support activities of the military departments and Defense Agencies shall include the following:

(1) An assessment on the adequacy of the present headquarters organization structure to efficiently and effectively support the mission of the military departments and the Defense Agencies.

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

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

(4) An assessment of the possible benefits that could be derived from further functional consolidation between the civilian secretariat of the military departments and the staffs of the military service chiefs.

(5) An assessment of the possible benefits that could be derived from reducing the number of civilian officers in the military departments who are appointed by and with the advice and consent of the Senate.

(e) SPECIAL REQUIREMENTS REGARDING ACQUISITION ORGANIZATIONS.—The examination of the missions, functions, and responsibilities of the various acquisition organizations of the Department of Defense shall include the following:

(1) An assessment of benefits of consolidation or selected elimination of Department of Defense acquisition organizations.

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

(3) An assessment of such other defense acquisition infrastructure streamlining or restructuring options as the Commission considers appropriate.

(f) COOPERATION FROM GOVERNMENT OFFICIALS.—In carrying out its duties, the Commission should receive the full and timely cooperation of the Secretary of Defense and any other United States Government official responsible for providing the Commission with analyses, briefings, and other information necessary for the fulfillment of its responsibilities.

SEC. 1603. REPORTS.

The Commission shall submit to Congress an interim report containing its preliminary findings and conclusions not later than March 15, 1998, and a final report containing its findings and conclusions not later than July 15, 1998.

SEC. 1604. POWERS.

(a) HEARINGS.—The Commission or, at its direction, any panel or member of the Commission, may, for the purpose of carrying out the provisions of this title, hold hearings, sit and act at times and places, take testimony, receive evidence, and administer oaths to the extent that the Commission or any panel or member considers advisable.

(b) INFORMATION.—The Commission may secure directly from the Department of Defense and any other Federal department or agency information that the Commission considers necessary to enable the Commission to carry out its responsibilities under this title.

SEC. 1605. COMMISSION PROCEDURES.

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

(b) QUORUM.—(1) Five members of the Commission shall constitute a quorum other than for the purpose of holding hearings.

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

(c) COMMISSION.—The Commission may establish panels composed of less than full membership of the Commission for the purpose of carrying out the Commission's duties. The actions of each such panel shall be subject to the review and control of the Commission. Any findings and determinations made by such a panel shall not be considered the findings and determinations of the Commission unless approved by the Commission.

(d) AUTHORITY OF INDIVIDUALS TO ACT FOR COMMISSION.—Any member or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take under this title.

SEC. 1606. PERSONNEL MATTERS.

(a) PAY OF MEMBERS.—Members of the Commission shall serve without pay by reason of their work on the Commission.

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

(c) STAFF.—(1) The chairman of the Commission may, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, appoint a staff director and such additional personnel as may be necessary to enable the Commission to perform its duties. The appointment of a staff director shall be subject to the approval of the Commission.

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

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Upon request of the chairman of the Commission, the head of any Federal department or agency may detail, on a nonreimbursable basis, any personnel of that department or agency to the Commission to assist it in carrying out its duties.

(e) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for indi-

viduals which do not exceed the daily equivalent of the annual rate of basic pay payable for level V of the Executive Schedule under section 5316 of such title.

SEC. 1607. MISCELLANEOUS ADMINISTRATIVE PROVISIONS.

(a) **POSTAL AND PRINTING SERVICES.**—The Commission may use the United States mails and obtain printing and binding services in the same manner and under the same conditions as other departments and agencies of the Federal Government.

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

SEC. 1608. FUNDING.

Funds for activities of the Commission shall be provided from amounts appropriated for the Department of Defense for operation and maintenance for Defense-wide activities for fiscal year 1998. Upon receipt of a written certification from the Chairman of the Commission specifying the funds required for the activities of the Commission, the Secretary of Defense shall promptly disburse to the Commission, from such amounts, the funds required by the Commission as stated in such certification.

SEC. 1609. TERMINATION OF THE COMMISSION.

The Commission shall terminate 60 days after the date of the submission of its final report under section 1603.

It was decided in the { Yeas 405
affirmative } Nays 14

¶68.16 [Roll No. 215]
AYES—405

- Abercrombie
- Aderholt
- Allen
- Andrews
- Archer
- Armedy
- Bachus
- Baessler
- Baker
- Baldacci
- Ballenger
- Barcia
- Barr
- Barrett (NE)
- Barrett (WI)
- Barton
- Bass
- Bateman
- Becerra
- Bentsen
- Bereuter
- Berman
- Berry
- Bilbray
- Bilirakis
- Bishop
- Blagojevich
- Bliley
- Blumenauer
- Blunt
- Boehlert
- Boehner
- Bonilla
- Bonior
- Bono
- Boswell
- Boucher
- Boyd
- Brady
- Brown (CA)
- Brown (FL)
- Brown (OH)
- Bryant
- Bunning
- Burr
- Burton
- Buyer
- Callahan
- Calvert
- Camp
- Campbell
- Canady
- Cannon
- Capps
- Cardin
- Carson
- Castle
- Chabot
- Chambliss
- Chenoweth
- Christensen
- Clay
- Clayton
- Clement
- Clyburn
- Coble
- Coburn
- Collins
- Combest
- Condit
- Conyers
- Cook
- Cooksey
- Costello
- Cox
- Coyne
- Cramer
- Crane
- Crapo
- Cubin
- Cummings
- Cunningham
- Danner
- Davis (FL)
- Davis (VA)
- Deal
- DeFazio
- Delahunt
- DeLauro
- DeLay
- Dellums
- Deutsch
- Diaz-Balart
- Dickey
- Dicks
- Dingell
- Dixon
- Doggett
- Dooley
- Doolittle
- Doyle
- Duncan
- Dunn
- Edwards
- Ehlers
- Ehrlich
- Emerson
- Engel
- English
- Ensign
- Eshoo
- Etheridge
- Everett
- Ewing
- Farr
- Fattah
- Fawell
- Fazio
- Filner
- Flake
- Foglietta
- Foley
- Forbes
- Fowler
- Fox
- Frank (MA)
- Franks (NJ)
- Frelinghuysen
- Frost
- Furse
- Galleghy
- Ganske
- Gejdenson
- Gekas
- Gibbons
- Gilchrest
- Gillmor
- Gilman
- Gonzalez
- Goode
- Goodlatte
- Gordon
- Goss
- Graham
- Granger
- Green
- Greenwood
- Gutierrez
- Gutknecht
- Hall (OH)
- Hamilton
- Hansen
- Harman
- Hastert
- Hastings (FL)
- Hastings (WA)
- Hayworth
- Hefley

- Hefner
- Herger
- Hill
- Hilleary
- Hilliard
- Hinchee
- Hinojosa
- Hobson
- Hoekstra
- Holden
- Hooley
- Horn
- Hostettler
- Houghton
- Hoyer
- Hulshof
- Hunter
- Hutchinson
- Hyde
- Inglis
- Istook
- Jackson-Lee (TX)
- Jefferson
- Jenkins
- John
- Johnson (CT)
- Johnson (WI)
- Johnson, E. B.
- Johnson, Sam
- Jones
- Kanjorski
- Kasich
- Kelly
- Kennedy (RI)
- Kennelly
- Kildee
- Kilpatrick
- Kim
- Kind (WI)
- King (NY)
- Kingston
- Klecza
- Klink
- Klug
- Knollenberg
- Kolbe
- Kucinich
- LaFalce
- LaHood
- Lampson
- Lantos
- Largent
- Latham
- LaTourette
- Lazio
- Leach
- Levin
- Lewis (CA)
- Lewis (GA)
- Lewis (KY)
- Linder
- Livingston
- LoBiondo
- Lofgren
- Ford
- Lowey
- Lucas
- Luther
- Maloney (CT)
- Maloney (NY)
- Manton
- Manzullo
- Markey
- Martinez
- Mascara
- Matsui
- McCarthy (MO)
- McCarthy (NY)
- McCollum
- McCreary
- McDade
- McDermott
- McHale
- McHugh
- McInnis
- McIntosh
- McIntyre
- McKeon
- McKinney
- McNulty
- Meehan
- Meek
- Menendez
- Metcalf
- Mica
- Millender-McDonald
- Miller (FL)
- Minge
- Mink
- Molinar
- Mollohan
- Moran (KS)
- Morella
- Murtha
- Myrick
- Nadler
- Nethercutt
- Neumann
- Ney
- Northup
- Norwood
- Nussle
- Obey
- Olver
- Ortiz
- Owens
- Oxley
- Packard
- Pallone
- Pappas
- Parker
- Pascarell
- Pastor
- Paul
- Paxon
- Payne
- Pease
- Pelosi
- Peterson (MN)
- Peterson (PA)
- Petri
- Pickering
- Pickett
- Pitts
- Porter
- Portman
- Poshard
- Price (NC)
- Pryce (OH)
- Quinn
- Radanovich
- Rahall
- Ramstad
- Rangel
- Redmond
- Regula
- Riggs
- Riley
- Rivers
- Rodriguez
- Roemer
- Rogan
- Rogers
- Rohrabacher
- Ros-Lehtinen
- Rothman
- Roukema
- Roybal-Allard
- Royce
- Rush
- Ryun
- Sabo
- Salmon
- Sanchez
- Sanders
- Sandlin
- Sanford
- Sawyer
- Saxton
- Scarborough
- Schaefer, Dan
- Schaefer, Bob
- Schumer
- Scott
- Sensenbrenner
- Serrano
- Sessions
- Shadegg
- Shaw
- Shays
- Sherman
- Shimkus
- Shuster
- Sisisky
- Skaggs
- Skeen
- Skelton
- Slaughter
- Smith (MI)
- Smith (NJ)
- Smith (OR)
- Smith (TX)
- Smith, Adam
- Smith, Linda
- Snowbarger
- Snyder
- Solomon
- Souder
- Spence
- Spratt
- Stabenow
- Stearns
- Stenholm
- Stokes
- Strickland
- Stump
- Stupak
- Sununu
- Tanner
- Tauscher
- Tauzin
- Taylor (MS)
- Thomas
- Thompson
- Thornberry
- Thune
- Thurman
- Tiahrt
- Tierney
- Towns
- Trafficant
- Turner
- Upton
- Velazquez
- Vento
- Visclosky
- Walsh
- Wamp
- Waters
- Watkins
- Watt (NC)
- Watts (OK)
- Waxman
- Weldon (FL)
- Weldon (PA)
- Weller
- Wexler
- Weygand
- White
- Whitfield
- Wicker
- Wise
- Wolf
- Woolsey
- Wynn
- Young (AK)
- Young (FL)

NOES—14

- Bartlett
- Borski
- Davis (IL)
- Evans
- Goodling
- Hall (TX)
- Jackson (IL)
- Kennedy (MA)
- McGovern
- Moakley
- Moran (VA)
- Neal
- Reyes
- Talent

NOT VOTING—15

- Ackerman
- DeGette
- Dreier
- Gephardt
- Kapture
- Lipinski
- Miller (CA)
- Oberstar
- Pombo
- Pomeroy
- Schiff
- Stark
- Taylor (NC)
- Torres
- Yates

So the amendment was agreed to.

¶68.17 RECORDED VOTE

A recorded vote by electronic device was ordered in the Committee of the Whole on the following amendment submitted by Mr. SPENCE:

Page 371, after line 20, insert the following:

SUBTITLE A—GENERAL MATTERS

At the end of title XII (page 379, after line 19), insert the following new section:

SUBTITLE B—MATTERS RELATING TO PREVENTION OF TECHNOLOGY DIVERSION

SEC. 1231. FINDINGS.

Congress finds as follows:

(1) There have been numerous reports of United States-origin supercomputers being obtained by countries of proliferation concern for use in weapon development programs.

(2) China is considered by the United States Government to be a country of proliferation concern.

(3) According to United States officials, China has acquired at least 47 United States-origin supercomputers.

(4) Recent reports indicate that China has purchased hundreds of supercomputers for use in its weapons programs and that the United States is unsure of the location of those supercomputers or the purposes for which they are being used.

(5) China has refused to allow the United States to conduct post-shipment verifications of dual-use items exported from the United States to ensure that those items are not diverted to military use.

(6) China has in the past diverted dual-use items intended for civilian use to military purposes.

SEC. 1232. EXPORT APPROVALS FOR SUPERCOMPUTERS.

(a) **PRIOR APPROVAL OF EXPORTS AND REEXPORTS.**—The President shall require that no digital computer with a composite theoretical performance of more than 2,000 millions of theoretical operations per second (MTOPS) may be exported or reexported to a country specified in subsection (b) without the prior written approval of the Secretary of Commerce, the Secretary of Defense, the Secretary of Energy, the Secretary of State, and the Director of the Arms Control and Disarmament Agency.

(b) **COVERED COUNTRIES.**—For purposes of subsection (a), the countries specified in this subsection are the countries listed as "computer tier 3" eligible countries in section 740.7(d) of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997.

(c) **TIME LIMIT.**—The Secretary of Commerce, the Secretary of Defense, the Secretary of Energy, the Secretary of State, and the Director of the Arms Control and Disarmament Agency shall provide a written response to an application for export approval under subsection (a) within 10 days after the application is received. If any such Secretary or the Director declines to approve the export of a computer, the computer may be exported or reexported only pursuant to a license issued by the Secretary of Commerce under the Export Administration Regulations of the Department of Commerce, and without regard to the licensing exceptions otherwise authorized under section 740.7 of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997.

SEC. 1233. REPORT ON EXPORTS OF SUPERCOMPUTERS.

(a) **REPORT.**—Not later than 30 days after the date of the enactment of this Act, the President shall provide to the congressional committees specified in subsection (d) a report identifying all exports of digital computers with a composite theoretical performance of over 2,000 millions of theoretical operations per second (MTOPS) to all countries