

106TH CONGRESS  
1ST SESSION

# H. R. 3469

To amend title 10, United States Code, to provide for the coverage and treatment of overhead costs of United States factories and arsenals when not making supplies for the Army, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 18, 1999

Mr. EVANS (for himself and Mr. LEACH) introduced the following bill; which was referred to the Committee on Armed Services

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## A BILL

To amend title 10, United States Code, to provide for the coverage and treatment of overhead costs of United States factories and arsenals when not making supplies for the Army, and for other purposes.

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

3 **SECTION 1. OVERHEAD COSTS OF UNITED STATES FAC-**  
4 **TORIES AND ARSENALS WHEN NOT MAKING**  
5 **SUPPLIES FOR THE ARMY.**

6 (a) FINDINGS.—Congress makes the following find-  
7 ings:

1           (1) Factories and arsenals owned by the United  
2 States play a vital role in the national defense by en-  
3 suring the making of supplies for the Department of  
4 the Army.

5           (2) The vital role of such factories and arsenals  
6 in the national defense is not diminished by their  
7 underutilization in peacetime.

8           (b) OVERHEAD COSTS OF FACTORIES AND ARSENALS  
9 WHEN UNDERUTILIZED.—Section 4532 of title 10,  
10 United States Code, is amended by adding at the end the  
11 following:

12           “(c) OVERHEAD COSTS WHEN UNDERUTILIZED.—  
13 (1) The Secretary shall submit to Congress each year, to-  
14 gether with the President’s budget for the fiscal year be-  
15 ginning in such year under section 1105(a) of title 31,  
16 an estimate of the funds required in that fiscal year to  
17 cover any overhead costs at factories and arsenals referred  
18 to in subsection (a) that are not covered by the utilization  
19 of such factories and arsenals by the Department of the  
20 Army in that fiscal year due to low production require-  
21 ments of the Department.

22           “(2) Funds appropriated to the Secretary for a fiscal  
23 year to cover the overhead costs described in paragraph  
24 (1) shall be available to the Secretary in that fiscal year  
25 only to cover those overhead costs, except to the extent

1 that those funds are no longer required to cover those  
2 overhead costs due to unanticipated utilization.

3 “(3) In determining the cost of making a supply or  
4 other good, other than a supply for the Department of  
5 the Army, at a factory or arsenal referred to in subsection  
6 (a), the Secretary shall not take into account any overhead  
7 cost covered with funds available to the Secretary under  
8 paragraph (2).”.

9 (c) **STYLISTIC AMENDMENTS.**—That section is fur-  
10 ther amended—

11 (1) in subsection (a), by inserting “**AUTHORITY**  
12 **TO MAKE SUPPLIES.—**” before “The Secretary of  
13 the Army”; and

14 (2) in subsection (b), by inserting “**AUTHORITY**  
15 **TO ABOLISH.—**” before “The Secretary”.

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