

106TH CONGRESS  
1ST SESSION

# S. 1396

To amend section 4532 of 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 SENATE OF THE UNITED STATES

JULY 20, 1999

Mr. FITZGERALD introduced the following bill; which was read twice and referred to the Committee on Armed Services

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## A BILL

To amend section 4532 of 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) FINDING.—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       unutilization or underutilization in peacetime.

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

12       “(c) OVERHEAD COSTS WHEN UNUTILIZED OR UN-  
13     DERUTILIZED.—(1) The Secretary shall submit to Con-  
14     gress each year, together with the President’s budget for  
15     the fiscal year beginning in such year under section  
16     1105(a) of title 31, an estimate of the funds to be required  
17     in the fiscal year in order to cover any overhead costs at  
18     factories and arsenals referred to in subsection (a) that  
19     result from the unutilization or underutilization of such  
20     factories and arsenals in the fiscal year due to low produc-  
21     tion requirements of the Department of the Army.

22       “(2) Funds appropriated to the Secretary for a fiscal  
23     year for costs described in paragraph (1) shall be available  
24     to the Secretary in such fiscal year to cover such costs.

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

7       (c) STYLISTIC AMENDMENTS.—That section is fur-  
8 ther amended—

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

12              (2) in subsection (b), by inserting “ABOLI-  
13       TION.—” before “The Secretary”.

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