

104TH CONGRESS
2D SESSION

H. R. 3433

To prohibit the Secretary of Defense from authorizing payment under defense contracts for restructuring costs of a merger or acquisition.

IN THE HOUSE OF REPRESENTATIVES

MAY 10, 1996

Mr. SMITH of New Jersey introduced the following bill; which was referred to the Committee on National Security

A BILL

To prohibit the Secretary of Defense from authorizing payment under defense contracts for restructuring costs of a merger or acquisition.

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. PROHIBITION ON AUTHORIZATION OF PAY-**
4 **MENT OF COSTS UNDER DEFENSE CON-**
5 **TRACTS FOR RESTRUCTURING COSTS OF A**
6 **MERGER OR ACQUISITION.**

7 (a) PROHIBITION.—The Secretary of Defense may
8 not authorize payment of any restructuring costs associ-
9 ated with a merger or acquisition that are incurred by a

1 contractor under contract with the Department of De-
2 fense.

3 (b) REPEAL.—Section 818 of the National Defense
4 Authorization Act for Fiscal Year 1995 (Public Law 103–
5 337; 108 Stat. 2821; 10 U.S.C. 2324 note) is amended—

6 (1) by striking out subsections (a), (b), (c), and
7 (d); and

8 (2) by redesignating subsections (e), (f), and
9 (g) as subsections (a), (b), and (c), respectively.

10 (c) APPLICABILITY.—(1) Subject to paragraph (2),
11 the prohibition in subsection (a) applies with respect to
12 restructuring costs associated with a merger or acquisition
13 that are incurred before, on, or after the date of the enact-
14 ment of this Act.

15 (2) The prohibition in subsection (a) does not apply
16 with respect to restructuring costs associated with a merg-
17 er or acquisition that were paid by the Secretary of De-
18 fense before the date of the enactment of this Act.

○