

AMENDMENT TO H.R. 1960
OFFERED BY MR. SHUSTER OF PENNSYLVANIA

Strike section 812 and insert the following:

1 **SEC. 812. GOVERNMENT-WIDE LIMITATIONS ON ALLOW-**
2 **ABLE COSTS FOR CONTRACTOR COMPENSA-**
3 **TION.**

4 (a) DEFENSE CONTRACTS.—

5 (1) AMENDMENTS RELATING TO CONTRACTOR
6 EMPLOYEES.—Subparagraph (P) of section
7 2324(e)(1) of title 10, United States Code, is
8 amended to read as follows:

9 “(P) Costs of compensation of any contractor
10 employee for a fiscal year, regardless of the contract
11 funding source, to the extent that such compensa-
12 tion exceeds \$763,029 adjusted annually for the
13 U.S. Bureau of Labor Statistics Employment Cost
14 Index for total compensation for private industry
15 workers, by occupational and industry group not
16 seasonally adjusted, except that the Secretary of De-
17 fense may establish narrowly targeted exceptions for
18 positions in the science, technology, engineering,
19 mathematics, medical, and manufacturing fields
20 upon a determination that such exceptions are need-

1 ed to ensure that the Department of Defense has
2 continued access to needed skills and capabilities.”.

3 (2) AMENDMENTS RELATING TO SENIOR EX-
4 ECUTIVES OF CERTAIN CONTRACTORS.—Section
5 2324(e)(1) of such title is further amended by add-
6 ing at the end the following new subparagraph:

7 “(Q) Costs of compensation of senior executives
8 of a covered contractor.”.

9 (3) DEFINITIONS.—Section 2324(1) of such title
10 is amended—

11 (A) by inserting after paragraph (4) the
12 following new paragraph (5):

13 “(5) The term ‘senior executives’, with respect
14 to a covered contractor, means the five most highly
15 compensated employees of the contractor. In deter-
16 mining the five most highly compensated employees
17 in the case of a contractor with components (such as
18 subsidiaries or divisions), the determination shall be
19 made using the five most highly compensated em-
20 ployees contractor-wide, not within each compo-
21 nent.”; and

22 (B) by inserting after paragraph (6) the
23 following new paragraph (7):

24 “(7) The term ‘covered contractor’, with respect
25 to a fiscal year, means a contractor that was award-

1 ed Federal contracts in an amount totaling more
2 than \$500,000,000 during the previous fiscal year.”.

3 (b) CIVILIAN AGENCY CONTRACTS.—

4 (1) AMENDMENTS RELATING TO CONTRACTOR
5 EMPLOYEES.—Paragraph (16) of section 4304(a) of
6 title 41, United States Code, is amended to read as
7 follows:

8 “(16) Costs of compensation of any contractor
9 employee for a fiscal year, regardless of the contract
10 funding source, to the extent that such compensa-
11 tion exceeds \$763,029 adjusted annually for the
12 U.S. Bureau of Labor Statistics Employment Cost
13 Index for total compensation for private industry
14 workers, by occupational and industry group not
15 seasonally adjusted, except that the executive agency
16 may establish narrowly targeted exceptions for posi-
17 tions in the science, technology, engineering, mathe-
18 matics, medical, and manufacturing fields upon a
19 determination that such exceptions are needed to en-
20 sure that the executive agency has continued access
21 to needed skills and capabilities.”.

22 (2) AMENDMENTS RELATING TO SENIOR EX-
23 ECUTIVES OF CERTAIN CONTRACTORS.—Section
24 4304(a) of such title is further amended by adding
25 at the end the following new paragraph:

1 “(17) Costs of compensation of senior execu-
2 tives of a covered contractor.”.

3 (3) DEFINITIONS.—Section 4301 of such title is
4 amended by striking paragraph (4) and inserting the
5 following new paragraphs (4) and (5):

6 “(4) The term ‘senior executives’, with respect
7 to a covered contractor, means the five most highly
8 compensated employees of the contractor. In deter-
9 mining the five most highly compensated employees
10 in the case of a contractor with components (such as
11 subsidiaries or divisions), the determination shall be
12 made using the five most highly compensated em-
13 ployees contractor-wide, not within each component.

14 “(5) The term ‘covered contractor’, with respect
15 to a fiscal year, means a contractor that was award-
16 ed Federal contracts in an amount totaling more
17 than \$500,000,000 during the previous fiscal year.”.

18 (c) CONFORMING AMENDMENTS.—Chapter 11 of title
19 41, United States Code, is amended—

20 (1) by striking section 1127; and

21 (2) by striking the item relating to that section
22 in the table of sections at the beginning of such
23 chapter.

24 (d) EFFECTIVE DATE.—The amendments made by
25 this section shall apply with respect to costs of compensa-

1 tion incurred under contracts entered into on or after the
2 date that is 180 days after the date of the enactment of
3 this Act.

