

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 2177

To ensure effective Congressional oversight of overseas military base support carried out by NATO host countries for the United States as payments-in-kind for release of United States overseas military facilities to such countries and to reduce the deficit.

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## IN THE SENATE OF THE UNITED STATES

JUNE 9 (legislative day, JUNE 7), 1994

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

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## A BILL

To ensure effective Congressional oversight of overseas military base support carried out by NATO host countries for the United States as payments-in-kind for release of United States overseas military facilities to such countries and to reduce the deficit.

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. FINDINGS.**

4       The Congress makes the following findings:

5               (1)   The   United   States   has   invested  
6       \$6,500,000,000 in military infrastructure in North  
7       Atlantic Treaty Organization (NATO) countries.

1           (2) As part of an overall plan to reduce United  
2 States troop strength in Europe from 323,432 in  
3 1987 to 100,000 by the end of 1996, the Depart-  
4 ment of Defense plans to close or reduce United  
5 States military presence at 867 military sites over-  
6 seas.

7           (3) Most of the overseas military sites an-  
8 nounced for closure are in Europe where the United  
9 States has already closed 434 such sites.

10          (4) When the United States closes military sites  
11 in Europe, the United States brings the military  
12 personnel home but leaves buildings, roads, sewers,  
13 and other real property improvements behind.

14          (5) Through a series of so-called “residual  
15 value” agreements, some allies have agreed to pay  
16 the United States for the value of the real property  
17 improvements left behind.

18          (6) Although the United States military  
19 drawdown has been rapid since 1990, European al-  
20 lies have been slow to pay the United States the re-  
21 sidual value of the sites released by the United  
22 States.

23          (7) As of 1994, the United States has recouped  
24 only \$33,300,000 in cash, and most of that was re-  
25 covered in 1989.

1           (8) Although the United States has released to  
2       Germany over 60 percent of the military sites  
3       planned for closure by the United States in that  
4       country and the current value of United States fa-  
5       cilities to be returned to the German government is  
6       estimated at approximately \$2,700,000,000, the  
7       German government has budgeted only \$25,000,000  
8       for fiscal year 1994 for payment of compensation for  
9       the United States investment in such improvements.

10 **SEC. 2. POLICY.**

11       It is the sense of Congress that—

12           (1) the President should redouble efforts to re-  
13       cover the value of the United States investment in  
14       the military infrastructure of NATO countries;

15           (2) the President should enter into negotiations  
16       with the government of each NATO host country  
17       with a presumption that payments to compensate  
18       the United States for the fair market value of im-  
19       provements will be made in cash and deposited in  
20       the Department of Defense Overseas Military Facil-  
21       ity Investment Recovery Account;

22           (3) the President should enter into negotiations  
23       for payments-in-kind only as a last resort and only  
24       after informing the Congress that negotiations for  
25       cash payments have not been successful; and

1           (4) to the extent that in-kind contributions are  
2       received in lieu of cash payments in any fiscal year,  
3       the in-kind contributions should directly offset costs  
4       that would otherwise be incurred by the Department  
5       of Defense for overseas base support that has been  
6       approved by Congress or for overseas base support  
7       requested by the President in the budget submitted  
8       to Congress for the succeeding fiscal year.

9   **SEC. 3. REQUIREMENTS AND LIMITATIONS RELATING TO**  
10                   **PAYMENTS IN KIND.**

11       (a) REQUIREMENT FOR JUSTIFICATION FOR NEGOTIATIONS FOR PAYMENTS-IN-KIND.—Subsection (e) of  
12       section 2921 of the National Defense Authorization Act  
13       for Fiscal Year 1992 (10 U.S.C. 2687 note) is amended—

14           (1) by inserting “(1)” after “NEGOTIATIONS  
15       FOR PAYMENTS-IN-KIND.—”;

16           (2) by striking out “a written notice” and all  
17       that follows and inserting in lieu thereof “to the con-  
18       gressional defense committees (and one additional  
19       copy to each of the Subcommittees on Defense of the  
20       Committees on Appropriations of the Senate and the  
21       House of Representatives) a written notice regarding  
22       the intended negotiations.”; and  
23       the intended negotiations.”; and

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

1 “(2) The notice shall contain the following:

2 “(A) A justification for entering into negotia-  
3 tions for payments-in-kind with the host country.

4 “(B) The types of benefit options to be pursued  
5 by the Secretary in the negotiations.

6 “(C) The specific overseas base support activi-  
7 ties (for which funding has either previously been  
8 approved by Congress or requested in the latest  
9 budget transmitted by the President to Congress  
10 pursuant to section 1105(a) of title 31, United  
11 States Code) that could be curtailed, eliminated, ter-  
12 minated, or withdrawn to reduce the amount of  
13 United States overseas base support spending by an  
14 amount not less than the fair market value of the  
15 improvements to be released to the host country in  
16 exchange for the payments-in-kind.”.

17 (b) DEFICIT REDUCTION THROUGH PAYMENTS-IN-  
18 KIND.—Such section is amended by adding at the end the  
19 following new subsection:

20 “(h) DEFICIT REDUCTION THROUGH PAYMENTS-IN-  
21 KIND.—(1)(A) Not less than 30 days before the Secretary  
22 of Defense enters into an agreement with a host country  
23 to accept from the host country any improvement as a  
24 payment-in-kind, the President shall—

1           “(i) submit to Congress a request for rescission  
2           of appropriations for overseas base support;

3           “(ii) submit to Congress a message recommend-  
4           ing a reduction in the request for appropriations for  
5           overseas base support that is set forth in the budget  
6           transmitted to Congress pursuant to section 1105(a)  
7           of title 31, United States Code, for the fiscal year  
8           that begins in the year that the President submits  
9           the message to Congress; or

10          “(iii) a combination of actions under clauses (i)  
11          and (ii).

12          “(B) The total amount of the reductions proposed to  
13          be achieved in the proposed actions submitted pursuant  
14          to subparagraph (A) in the case of a payment-in-kind of  
15          a host country may not be less than the fair market value  
16          of the improvements to be released to the host country  
17          in exchange for such payment-in-kind.

18          “(2) The Secretary of Defense may not accept as a  
19          payment-in-kind any improvements to real property that,  
20          if undertaken to be made by the Department of Defense,  
21          would be subject to—

22                 “(A) the requirement for authorization of ap-  
23                 propriations for military construction set forth in  
24                 section 114(a)(6) of title 10, United States Code,  
25                 and

1           “(B) the requirement set forth in section 2802  
2       of such title, relating to authorization of military  
3       construction projects by law,  
4       unless such improvements comprise a military construc-  
5       tion project that is authorized by law.”.

6       (c) OVERSEAS BASE SUPPORT DEFINED.—Such sec-  
7       tion, as amended by subsection (b), is further amended  
8       by adding at the end the following new subsection:

9       “(i) OVERSEAS BASE SUPPORT DEFINED.—In sub-  
10      sections (e) and (h), the term ‘overseas base support’  
11      means—

12           “(1) military construction (as defined in section  
13       114(b) of title 10, United States Code) outside the  
14       United States;

15           “(2) maintenance of real property outside the  
16       United States for the Department of Defense; and

17           “(3) contributions for the North Atlantic Trea-  
18       ty Organization Infrastructure Program as provided  
19       in section 2806 of title 10, United States Code.”.

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