111TH CONGRESS 2D SESSION

S. 3361

To require the Secretary of Defense to take illegal subsidization into account in evaluating proposals for contracts for major defense acquisition programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

May 13, 2010

Mr. Brownback (for himself, Mrs. Murray, Mr. Bond, and Mr. Roberts) introduced the following bill; which was read twice and referred to the Committee on Armed Services

A BILL

To require the Secretary of Defense to take illegal subsidization into account in evaluating proposals for contracts for major defense acquisition programs, 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. SHORT TITLE.
- 4 This Act may be cited as the "Fair Defense Competi-
- 5 tion Act".

2 1 SEC. 2. ACCOUNTING FOR ILLEGAL SUBSIDIZATION IN 2 EVALUATION OF PROPOSALS FOR CON-3 TRACTS FOR MAJOR DEFENSE ACQUISITION 4 PROGRAMS. 5 (a) REQUIREMENT.— 6 (1) In General.—In awarding a contract for 7 any major defense acquisition program, the Sec-8 retary of Defense shall, in conducting the cost or 9 price evaluation of any proposal for that contract, 10 take into account any final panel report described in 11 paragraph (2) and take the action described in para-12 graph (3). 13 (2) Final panel report described.—A final 14 panel report described in this paragraph is the final 15 report of a dispute settlement panel of the World 16 Trade Organization, submitted to the parties to a 17 dispute pursuant to article 4.6 or 7.4 of the Agree-18 ment on Subsidies and Countervailing Measures, 19 that either a prohibited or actionable subsidy has

- 23 merchandise or component is part of a proposal de-24 scribed in paragraph (1). 25 (3) ACTION DESCRIBED.—If the subsidy found
 - (3) ACTION DESCRIBED.—If the subsidy found to be prohibited or actionable in the final panel re-

been provided with respect to any merchandise or

major component thereof, or the development of any

merchandise or major component thereof, if that

20

21

22

26

port has not been withdrawn pursuant to article 4.7 or 7.8 of the Agreement on Subsidies and Countervailing Measures, the action described in this paragraph is, in conducting the cost or price evaluation of a proposal, the Secretary shall increase the cost or price of the proposal by the amount of the subsidy found to be prohibited or actionable in the final panel report described in paragraph (2), as calculated jointly by the Secretary of Commerce and the United States Trade Representative after notification is made by the Secretary of Defense for the need for such a calculation.

(b) Definitions.—In this section:

- (1) AGREEMENT ON SUBSIDIES AND COUNTER-VAILING MEASURES.—The term "Agreement on Subsidies and Countervailing Measures" means the Agreement on Subsidies and Countervailing Measures described in section 101(d)(12) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(12)).
- (2) Cost or price evaluation" means an evaluation conducted by a source selection authority pursuant to subpart 15.305(a)(1) of the Federal Acquisition Regulation.

1	(3) Major defense acquisition program.—
2	The term "major defense acquisition program" has
3	the meaning given that term in section 2430 of title
4	10, United States Code.

(4) PROHIBITED OR ACTIONABLE SUBSIDY.—
The term "prohibited or actionable subsidy" means a subsidy that is inconsistent with the Agreement on Subsidies and Countervailing Measures because the subsidy is a prohibited or actionable subsidy under the Agreement.

 \bigcirc