

36

**AMENDMENT TO H.R. 5658, AS REPORTED
OFFERED BY MR. TERRY OF NEBRASKA**

Page 353, after line 11, insert the following new section:

1 **SECTION 849. MULTIYEAR PROCUREMENT AUTHORITY FOR**
2 **THE PURCHASE OF DOMESTIC ALTERNATIVE**
3 **AND SYNTHETIC AVIATION FUELS.**

4 (a) MULTIYEAR PROCUREMENT AUTHORIZED.—

5 (1) IN GENERAL.—Chapter 141 of title 10,
6 United States Code, is amended by adding at the
7 end the following new section:

8 **“§ 2410r. Multiyear procurement authority: purchase**
9 **of domestic alternative and synthetic**
10 **aviation fuels**

11 “(a) MULTIYEAR CONTRACTS AUTHORIZED.—Sub-
12 ject to subsections (b), (c), and (d), the head of an agency
13 may enter into contracts for a period not to exceed 25
14 years for the purchase of domestic alternative and syn-
15 thetic aviation fuels.

16 “(b) LIMITATIONS ON CONTRACTS FOR PERIODS IN
17 EXCESS OF FIVE YEARS.—The head of an agency may
18 exercise the authority in subsection (a) to enter a contract
19 for a period in excess of five years only if the head of

1 the agency determines, on the basis of a business case pre-
2 pared by the agency, that—

3 “(1) the proposed purchase of fuels under such
4 contract is cost effective for the agency; and

5 “(2) it would not be possible to purchase fuels
6 from the source in an economical manner without
7 the use of a contract for a period in excess of five
8 years.

9 “(c) LIMITATION ON LIFECYCLE GREENHOUSE GAS
10 EMISSIONS.—The head of an agency may not purchase
11 domestic alternative and synthetic aviation fuels under the
12 authority in subsection (a) unless the lifecycle greenhouse
13 gas emissions from such fuels are not greater than the
14 lifecycle greenhouse gas emissions from conventional pe-
15 troleum-based fuels that are used in the same application.
16 The measurement of lifecycle greenhouse gas emissions for
17 both conventional and synthetic fuels shall consist of the
18 measurement of carbon dioxide emissions associated with
19 drilling and extraction, infrastructure used in transpor-
20 tation from the site of extraction to the point of refining
21 or conversion, refining or conversion, infrastructure used
22 in transportation from the point of refining or processing
23 to the point of consumption, and final use. The basis of
24 measurement for conventional fuels shall be those derived
25 from Venezuelan heavy crude oil.

1 “(d) CONTRACT TO INCLUDE 5-YEAR CONSTRUCTION
2 PERIOD.—The head of an agency may exercise the author-
3 ity in subsection (a) for the full 25-year period only if not
4 less than 5 of the 25 years is for construction of a facility
5 to produce domestic alternative and synthetic aviation
6 fuels.

7 “(e) DEFINITIONS.—In this section:

8 “(1) The term ‘head of an agency’ has the
9 meaning given that term in section 2302(1) of this
10 title.

11 “(2) The term ‘synthetic fuel’ means any liquid,
12 gas, or combination thereof that—

13 “(A) can be used as a substitute for petro-
14 leum or natural gas (or any derivative thereof,
15 including chemical feedstocks); and

16 “(B) is produced by chemical or physical
17 transformation of domestic sources of energy.”.

18 “(2) CLERICAL AMENDMENT.—The table of sec-
19 tions at the beginning of chapter 141 of such title
20 is amended by adding at the end the following new
21 item:

“2410r. Multiyear procurement authority: purchase of domestic alternative and
synthetic aviation fuels.”.

22 “(b) REGULATIONS.—

23 “(1) IN GENERAL.—Not later than 120 days
24 after the date of the enactment of this Act, the Sec-

1 retary of Defense shall prescribe regulations requir-
2 ing the head of an agency initiating a multiyear con-
3 tract as authorized by section 2410r of title 10,
4 United States Code (as added by subsection (a)), to
5 find that—

6 (A) there is a reasonable expectation that
7 throughout the contemplated contract period
8 the head of the agency will request funding for
9 the contract at the level required to avoid con-
10 tract cancellation; and

11 (B) there is a stable design for all related
12 technologies to the purchase of domestic alter-
13 native and synthetic aviation fuels as so author-
14 ized.

15 (2) MINIMUM ANTICIPATED SAVINGS.—The reg-
16 ulations required by paragraph (1) shall provide
17 that, in any case in which the estimated total ex-
18 penditure under a multiyear contract (or several
19 multiyear contracts with the same prime contractor)
20 under section 2410r of title 10, United States Code
21 (as so added), are anticipated to be more than (or,
22 in the case of several contracts, the aggregate of
23 which is anticipated to be more than) \$540,000,000
24 (in fiscal year 1990 constant dollars), the head of an
25 agency may initiate such contract under such section

1 only upon a finding that use of such contract will re-
2 sult in savings exceeding 10 percent of the total an-
3 ticipated costs of procuring an equivalent amount of
4 fuel for the same application through other means.
5 If such estimated savings will exceed 5 percent of
6 the total anticipated costs of procuring an equivalent
7 amount of fuel for the same application through
8 other means, but not exceed 10 percent of such
9 costs, the head of the agency may initiate such con-
10 tract under such section only upon a finding in writ-
11 ing that an exceptionally strong case has been made
12 with regard to findings required in paragraph (1).

13 (3) LIMITATION ON USE OF AUTHORITY.—No
14 contract may be entered into under the authority in
15 section 2410r of title 10, United States Code (as so
16 added), until the regulations required by paragraph
17 (1) are prescribed.

