# (4) Other definitions

The terms "person", "domestic", and "foreign" have the meanings given such terms by paragraphs (1), (4), and (5) of section 7701(a) of title 26, respectively.

# (d) Waivers

The Secretary shall waive subsection (a) with respect to any specific contract if the Secretary determines that the waiver is required in the interest of national security.

(Pub. L. 107-296, title VIII, §835, Nov. 25, 2002, 116 Stat. 2227; Pub. L. 108-7, div. L, §101(2), Feb. 20, 2003, 117 Stat. 528; Pub. L. 108-334, title V, §523, Oct. 18, 2004, 118 Stat. 1320.)

### AMENDMENTS

2004-Subsec. (a). Pub. L. 108-334, §523(1), inserted before period at end ", or any subsidiary of such an entity

Subsec. (b)(1). Pub. L. 108-334, §523(2), inserted "before, on, or" after "completes"

Subsec. (c)(1)(B). Pub. L. 108-334, §523(3), struck out "which is after November 25, 2002, and" after "beginning on the date"

Subsec. (d). Pub. L. 108-334, §523(4), substituted "national" for "homeland"

2003-Subsec. (d). Pub. L. 108-7 struck out ", or to prevent the loss of any jobs in the United States or pre-vent the Government from incurring any additional costs that otherwise would not occur" before period at end.

# §396. Lead system integrator; financial interests (a) In general

With respect to contracts entered into after July 1, 2007, and except as provided in subsection (b), no entity performing lead system integrator functions in the acquisition of a major system by the Department of Homeland Security may have any direct financial interest in the development or construction of any individual system or element of any system of systems.

## (b) Exception

An entity described in subsection (a) may have a direct financial interest in the development or construction of an individual system or element of a system of systems if-

(1) the Secretary of Homeland Security certifies to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Homeland Security of the House of Representatives, the Committee on Transportation and Infrastructure of the House of Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on Commerce, Science and Transportation of the Senate that-

(A) the entity was selected by the Department of Homeland Security as a contractor to develop or construct the system or element concerned through the use of competitive procedures; and

(B) the Department took appropriate steps to prevent any organizational conflict of interest in the selection process; or

(2) the entity was selected by a subcontractor to serve as a lower-tier subcontractor, through a process over which the entity exercised no control.

# (c) Construction

Nothing in this section shall be construed to preclude an entity described in subsection (a) from performing work necessary to integrate two or more individual systems or elements of a system of systems with each other.

# (d) Regulations update

Not later than July 1, 2007, the Secretary of Homeland Security shall update the acquisition regulations of the Department of Homeland Security in order to specify fully in such regulations the matters with respect to lead system integrators set forth in this section. Included in such regulations shall be: (1) a precise and comprehensive definition of the term "lead system integrator", modeled after that used by the Department of Defense; and (2) a specification of various types of contracts and fee structures that are appropriate for use by lead system integrators in the production, fielding, and sustainment of complex systems.

(Pub. L. 110-28, title VI, §6405, May 25, 2007, 121 Stat. 176.)

#### CODIFICATION

Section was enacted as part of the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, and not as part of the Homeland Security Act of 2002 which comprises this chapter.

PART E-HUMAN RESOURCES MANAGEMENT

## §411. Establishment of human resources management system

## (a) Authority

## (1) Sense of Congress

It is the sense of Congress that-

(A) it is extremely important that employees of the Department be allowed to participate in a meaningful way in the creation of any human resources management system affecting them;

(B) such employees have the most direct knowledge of the demands of their jobs and have a direct interest in ensuring that their human resources management system is conducive to achieving optimal operational efficiencies;

(C) the 21st century human resources management system envisioned for the Department should be one that benefits from the input of its employees; and

(D) this collaborative effort will help secure our homeland.

# (2), (3) Omitted

#### (b) Effect on personnel

## (1) Nonseparation or nonreduction in grade or compensation of full-time personnel and part-time personnel holding permanent positions

Except as otherwise provided in this chapter, the transfer under this chapter of fulltime personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation for 1 year after the date of transfer to the Department.