

2002—Subsec. (f)(1). Pub. L. 107-314, § 334(1), substituted “Amounts expended for the performance of a depot-level maintenance and repair workload by non-Federal Government personnel at a Center of Industrial and Technical Excellence under any contract entered into during fiscal years 2003 through 2006” for “Amounts expended out of funds described in paragraph (2) for the performance of a depot-level maintenance and repair workload by non-Federal Government personnel at a Center of Industrial and Technical Excellence”.

Subsec. (f)(2), (3). Pub. L. 107-314, § 334(2), (3), redesignated par. (3) as (2) and struck out former par. (2) which read as follows: “The funds referred to in paragraph (1) are funds available to the military departments and Defense Agencies for depot-level maintenance and repair workloads for fiscal years 2002 through 2005.”

2001—Subsec. (e)(2)(B)(i). Pub. L. 107-107, § 343(b), substituted “under the circumstances described in section 2563(c)(3) of this title” for “in a case of willful conduct or gross negligence”.

Subsecs. (f), (g). Pub. L. 107-107, § 342, added subsec. (f) and redesignated former subsec. (f) as (g).

2000—Subsec. (a)(1). Pub. L. 106-398, § 1 [[div. A], title III, § 341(a)(1)], substituted “The Secretary concerned, or the Secretary of Defense in the case of a Defense Agency,” for “The Secretary of Defense” and “of the designee” for “of the activity”.

Subsec. (a)(2). Pub. L. 106-398, § 1 [[div. A], title III, § 341(a)(2)], inserted “of Defense” after “The Secretary” and substituted “Centers of Industrial and Technical Excellence” for “depot-level activities”.

Subsec. (a)(3). Pub. L. 106-398, § 1 [[div. A], title III, § 341(a)(3)], substituted “operations at Centers of Industrial and Technical Excellence” for “depot-level operations”, “by the Centers” for “by depot-level activities”, and “of the Centers” for “of such activities”.

Subsec. (b). Pub. L. 106-398, § 1 [[div. A], title III, § 341(b)], amended heading and text of subsec. (b) generally. Prior to amendment, text read as follows: “The Secretary of Defense shall enable Centers of Industrial and Technical Excellence to enter into public-private cooperative arrangements for the performance of depot-level maintenance and repair at such Centers and shall encourage the use of such arrangements to maximize the utilization of the capacity at such Centers. A public-private cooperative arrangement under this subsection shall be known as a ‘public-private partnership’.”

Subsec. (c). Pub. L. 106-398, § 1 [[div. A], title III, § 341(c)(3)], added subsec. (c). Former subsec. (c) redesignated (d).

Subsec. (d). Pub. L. 106-398, § 1 [[div. A], title III, § 341(d)], inserted at end “Consideration in the form of rental payments or (notwithstanding section 3302(b) of title 31) in other forms may be accepted for a use of property accountable under a contract performed pursuant to this section. Notwithstanding section 2667(d) of this title, revenues generated pursuant to this section shall be available for facility operations, maintenance, and environmental restoration at the Center where the leased property is located.”

Pub. L. 106-398, § 1 [[div. A], title III, § 341(c)(1), (2)], redesignated subsec. (c) as (d) and struck out heading and text of former subsec. (d). Text read as follows: “The policy required under subsection (a) shall include measures to enable a private sector entity that enters into a partnership arrangement under subsection (b) or leases excess equipment and facilities at a Center of Industrial and Technical Excellence pursuant to section 2471 of this title to perform additional work at the Center, subject to the limitations outlined in subsection (b) of such section, outside of the types of work normally assigned to the Center.”

Subsecs. (e), (f). Pub. L. 106-398, § 1 [[div. A], title III, § 341(e)], added subsecs. (e) and (f).

#### REPORTING REQUIREMENT

Pub. L. 105-85, div. A, title III, § 361(c), Nov. 18, 1997, 111 Stat. 1701, provided that, not later than Mar. 1, 1999,

the Secretary of Defense was to submit to Congress a report on the policies established by the Secretary pursuant to this section to implement the requirements of this section.

#### § 2475. Consolidation, restructuring, or re-engineering of organizations, functions, or activities: notification requirements

(a) REQUIREMENT TO SUBMIT PLAN ANNUALLY.—Concurrently with the submission of the President’s annual budget request under section 1105 of title 31, the Secretary of Defense shall submit to Congress each Strategic Sourcing Plan of Action for the Department of Defense (as identified in the Department of Defense Interim Guidance dated February 29, 2000, or any successor Department of Defense guidance or directive), for the following year.

(b) NOTIFICATION OF DECISION TO EXECUTE PLAN.—If a decision is made to consolidate, restructure, or reengineer an organization, function, or activity of the Department of Defense pursuant to a Strategic Sourcing Plan of Action described in subsection (a), and such consolidation, restructuring, or reengineering would result in a manpower reduction affecting 50 or more personnel of the Department of Defense (including military and civilian personnel)—

(1) the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report describing that decision, including—

(A) a projection of the savings that will be realized as a result of the consolidation, restructuring, or reengineering, compared with the cost incurred by the Department of Defense to perform the function or to operate the organization or activity prior to such proposed consolidation, restructuring, or reengineering;

(B) a description of all missions, duties, or military requirements that will be affected as a result of the decision to consolidate, restructure, or reengineer the organization, function, or activity that was analyzed;

(C) the Secretary’s certification that the consolidation, restructuring, or reengineering will not result in any diminution of military readiness;

(D) a schedule for performing the consolidation, restructuring, or reengineering; and

(E) the Secretary’s certification that the entire analysis for the consolidation, restructuring, or reengineering is available for examination; and

(2) the head of the Defense Agency or the Secretary of the military department concerned may not implement the plan until 30 days after the date that the agency head or Secretary submits notification to the Committees on Armed Services of the Senate and House of Representatives of the intent to carry out such plan.

(Added Pub. L. 106-398, § 1 [[div. A], title III, § 353(a)], Oct. 30, 2000, 114 Stat. 1654, 1654A-72.)

#### § 2476. Minimum capital investment for certain depots

(a) MINIMUM INVESTMENT.—Each fiscal year, the Secretary of a military department shall in-

vest in the capital budgets of the covered depots of that military department a total amount equal to not less than six percent of the average total combined maintenance, repair, and overhaul workload funded at all the depots of that military department for the preceding three fiscal years.

(b) CAPITAL BUDGET.—For purposes of this section, the capital budget of a depot includes investment funds spent to modernize or improve the efficiency of depot facilities, equipment, work environment, or processes in direct support of depot operations, but does not include funds spent for sustainment of existing facilities, infrastructure, or equipment.

(c) WAIVER.—The Secretary of Defense may waive the requirement under subsection (a) with respect to a military department for a fiscal year if the Secretary determines that the waiver is necessary for reasons of national security. Whenever the Secretary makes such a waiver, the Secretary shall notify the congressional defense committees of the waiver and the reasons for the waiver.

(d) ANNUAL REPORT.—(1) Not later than 45 days after the date on which the President submits to Congress the budget for a fiscal year under section 1105 of title 31, the Secretary of Defense shall submit to the congressional defense committees a report containing budget justification documents summarizing the level of capital investment for each military department as of the end of the preceding fiscal year.

(2) Each report submitted under paragraph (1) shall include the following:

(A) A specification of any statutory, regulatory, or operational impediments to achieving the requirement under subsection (a) with respect to each military department.

(B) A description of the benchmarks for capital investment established for each covered depot and military department and the relationship of the benchmarks to applicable performance measurement methods used in the private sector.

(C) If the requirement under subsection (a) is not met for a military department for the fiscal year covered by the report, a statement of the reasons why the requirement was not met and a plan of actions for meeting the requirement for the fiscal year beginning in the year in which such report is submitted.

(D) Separate consideration and reporting of Navy depots and Marine Corps depots.

(E) A table showing the funded workload performed by each covered depot for the preceding three fiscal years and actual investment funds allocated to each depot for the period covered by the report.

(e) COVERED DEPOT.—In this section, the term “covered depot” means any of the following:

(1) With respect to the Department of the Army:

- (A) Anniston Army Depot, Alabama.
- (B) Letterkenny Army Depot, Pennsylvania.
- (C) Tobyhanna Army Depot, Pennsylvania.
- (D) Corpus Christi Army Depot, Texas.
- (E) Red River Army Depot, Texas.
- (F) Watervliet Arsenal, New York.
- (G) Rock Island Arsenal, Illinois.

(H) Pine Bluff Arsenal, Arkansas.

(I) Tooele Army Depot, Utah.

(2) With respect to the Department of the Navy:

(A) The following Navy depots:

(i) Fleet Readiness Center East Site, Cherry Point, North Carolina.

(ii) Fleet Readiness Center Southwest Site, North Island, California.

(iii) Fleet Readiness Center Southeast Site, Jacksonville, Florida.

(iv) Portsmouth Naval Shipyard, Maine.

(v) Pearl Harbor Naval Shipyard, Hawaii.

(vi) Puget Sound Naval Shipyard, Washington.

(vii) Norfolk Naval Shipyard, Virginia.

(B) The following Marine Corps depots:

(i) Marine Corps Logistics Base, Albany, Georgia.

(ii) Marine Corps Logistics Base, Barstow, California.

(3) With respect to the Department of the Air Force:

(A) Warner-Robins Air Logistics Center, Georgia.

(B) Ogden Air Logistics Center, Utah.

(C) Oklahoma City Air Logistics Center, Oklahoma.

(Added Pub. L. 109-364, div. A, title III, §332(a), Oct. 17, 2006, 120 Stat. 2149; amended Pub. L. 110-417, [div. A], title III, §327, Oct. 14, 2008, 122 Stat. 4418; Pub. L. 111-383, div. A, title X, §1075(b)(36), Jan. 7, 2011, 124 Stat. 4371; Pub. L. 112-81, div. A, title III, §325, Dec. 31, 2011, 125 Stat. 1364.)

#### AMENDMENTS

2011—Subsec. (a). Pub. L. 112-81, §325(1), inserted “maintenance, repair, and overhaul” after “combined”.

Subsec. (b). Pub. L. 112-81, §325(2), substituted “includes investment funds spent to modernize or improve the efficiency of depot facilities, equipment, work environment, or processes in direct support” for “includes investment funds spent on depot infrastructure, equipment, and process improvement in direct support” and inserted “, but does not include funds spent for sustainment of existing facilities, infrastructure, or equipment” before period at end.

Subsec. (d)(2)(D). Pub. L. 111-383 substituted “Navy depots” for “Navy Depots”.

Subsec. (d)(2)(E). Pub. L. 112-81, §325(3), which directed addition of subpar. (E) at end of subsec. (d), was executed by adding subpar. (E) at end of par. (2) of subsec. (d) to reflect the probable intent of Congress.

Subsec. (e)(1)(I). Pub. L. 112-81, §325(4), added subpar. (I).

2008—Subsec. (d)(2)(D). Pub. L. 110-417, §327(b)(1), added subpar. (D).

Subsec. (e)(1)(F) to (H). Pub. L. 110-417, §327(a), added subpars. (F) to (H).

Subsec. (e)(2). Pub. L. 110-417, §327(b)(2), inserted introductory provisions for subpars. (A) and (B), redesignated former subpars. (A) to (G) as cls. (i) to (vii), respectively, of subpar. (A) and realigned margins, and redesignated former subpars. (H) and (I) as cls. (i) and (ii), respectively, of subpar. (B) and realigned margins.

#### EFFECTIVE DATE

Pub. L. 109-364, div. A, title III, §332(c), Oct. 17, 2006, 120 Stat. 2150, provided that: “Section 2476 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2006.”

TWO YEAR PHASE-IN FOR DEPARTMENTS OF THE ARMY AND THE NAVY

Pub. L. 109-364, div. A, title III, §332(d), Oct. 17, 2006, 120 Stat. 2150, provided that:

“(1) REDUCED PERCENTAGE OF REQUIRED INVESTMENT FOR FISCAL YEARS 2007 AND 2008.—The Secretary of the Army shall apply subsection (a) of section 2476 of title 10, United States Code, as added by subsection (a), to the covered depots of the Army, and the Secretary of the Navy shall apply such subsection to the covered depots of the Department of the Navy—

“(A) for fiscal year 2007, by substituting ‘four percent’ for ‘six percent’; and

“(B) for fiscal year 2008, by substituting ‘five percent’ for ‘six percent’.

“(2) COVERED DEPOTS.—In this subsection, the term ‘covered depot’ has the meaning given that term in subsection (e) of section 2476 of title 10, United States Code, as added by subsection (a).”

CHAPTER 147—COMMISSARIES AND EXCHANGES AND OTHER MORALE, WELFARE, AND RECREATION ACTIVITIES

Table with 2 columns: Subchapter and Sec. I. Defense Commissary and Exchange Systems 2481 II. Relationship, Continuation, and Common Policies of Defense Commissary and Exchange Systems 2487 III. Morale, Welfare, and Recreation Programs and Nonappropriated Fund Instrumentalities 2491

AMENDMENTS

2004—Pub. L. 108-375, div. A, title VI, §651(a)(1), (3), Oct. 28, 2004, 118 Stat. 1964, added items for subchapters I to III and struck out items 2481 “Existence of defense commissary system and exchange stores system”, 2482 “Commissary stores: operation”, 2482a “Nonappropriated fund instrumentalities: contracts with other agencies and instrumentalities to provide and obtain goods and services”, 2483 “Commissary stores: reimbursement for use of commissary facilities by military departments”, 2484 “Commissary stores: use of appropriated funds to cover operating expenses”, 2485 “Donation of unusable food: commissary stores and other activities”, 2486 “Commissary stores: merchandise that may be sold; uniform surcharges and pricing”, 2487 “Commissary stores: release of certain commercially valuable information to the public”, 2488 “Nonappropriated fund instrumentalities: purchase of alcoholic beverages”, 2489 “Overseas package stores: treatment of United States wines”, 2489a “Sale or rental of sexually explicit material prohibited”, 2490a “Combined exchange and commissary stores”, 2492 “Overseas commissary and exchange stores: access and purchase restrictions”, 2493 “Fisher Houses: administration as nonappropriated fund instrumentality”, and 2494 “Uniform funding and management of morale, welfare, and recreation programs”.

2003—Pub. L. 108-136, div. A, title VI, §652(b), Nov. 24, 2003, 117 Stat. 1522, added item 2481.

2002—Pub. L. 107-314, div. A, title III, §323(b), Dec. 2, 2002, 116 Stat. 2511, added item 2494.

2001—Pub. L. 107-107, div. A, title III, §§332(b), 333(b), Dec. 28, 2001, 115 Stat. 1058, 1059, added item 2483 and substituted “Commissary stores: release of certain commercially valuable information to the public” for “Commissary stores: limitations on release of sales information” in item 2487.

2000—Pub. L. 106-398, §1 [[div. A], title III, §331(a)(2)], Oct. 30, 2000, 114 Stat. 1654, 1654A-59, added item 2484 and struck out former item 2484 “Commissary stores: expenses”.

1998—Pub. L. 105-261, div. A, title III, §365(b), title IX, §906(a)(2), Oct. 17, 1998, 112 Stat. 1987, 2095, added items 2492 and 2493.

1997—Pub. L. 105-85, div. A, title III, §371(a)(1), (c)(1), Nov. 18, 1997, 111 Stat. 1705, substituted “COM-

MISSARIES AND EXCHANGES AND OTHER MORALE, WELFARE, AND RECREATION ACTIVITIES” for “UTILITIES AND SERVICES” as chapter heading and struck out items 2481 “Utilities and services: sale; expansion and extension of systems and facilities”, 2483 “Sale of electricity from alternate energy and cogeneration production facilities”, and 2490 “Utility services: furnishing for certain buildings”.

1996—Pub. L. 104-201, div. A, title III, §§341(a)(2), 343(a)(2), Sept. 23, 1996, 110 Stat. 2489, 2490, added items 2482a and 2489a.

Pub. L. 104-106, div. A, title III, §§331(b), 336(a)(2), Feb. 10, 1996, 110 Stat. 260, 264, substituted “Commissary stores: operation” for “Commissary stores: private operation” in item 2482 and added item 2490a.

1993—Pub. L. 103-160, div. A, title XI, §1182(a)(8)(B), Nov. 30, 1993, 107 Stat. 1771, struck out item 2490a “Nonappropriated fund instrumentalities: financial management and use of nonappropriated funds”.

1992—Pub. L. 102-484, div. A, title III, §§362(b), 364(b)(1), Oct. 23, 1992, 106 Stat. 2380, 2382, substituted “limitations” for “limitation” in item 2487 and added item 2490a.

1990—Pub. L. 101-510, div. A, title III, §324(b)(2), Nov. 5, 1990, 104 Stat. 1531, amended item 2485 generally, substituting “Donation of unusable food: commissary stores and other activities” for “Commissary stores: donation of unmarketable food”.

1988—Pub. L. 100-370, §1(j)(2), July 19, 1988, 102 Stat. 848, added item 2490.

1987—Pub. L. 100-180, div. A, title III, §311(a)(2), 313(a)(3), Dec. 4, 1987, 101 Stat. 1073, 1074, inserted “and pricing” in item 2486 and added item 2489.

1986—Pub. L. 99-661, div. A, title III, §313(c), Nov. 14, 1986, 100 Stat. 3853, added items 2486, 2487, and 2488.

1985—Pub. L. 99-145, title XIV, §1460(b), Nov. 8, 1985, 99 Stat. 765, added item 2485.

1984—Pub. L. 98-525, title XIV, §1401(i)(2), Oct. 19, 1984, 98 Stat. 2620, added item 2484.

Pub. L. 98-407, title VIII, §810(b), Aug. 28, 1984, 98 Stat. 1523, added item 2483.

SUBCHAPTER I—DEFENSE COMMISSARY AND EXCHANGE SYSTEMS

Table with 2 columns: Sec. and Description. 2481. Defense commissary and exchange systems: existence and purpose. 2482. Commissary stores: criteria for establishment or closure; store size. 2483. Commissary stores: use of appropriated funds to cover operating expenses. 2484. Commissary stores: merchandise that may be sold; uniform surcharges and pricing. 2485. Commissary stores: operation.

AMENDMENTS

2006—Pub. L. 109-364, div. A, title X, §1071(a)(18), Oct. 17, 2006, 120 Stat. 2399, inserted period at end of item 2481.

2004—Pub. L. 108-375, div. A, title VI, §651(a)(3), Oct. 28, 2004, 118 Stat. 1964, added subchapter heading and items 2481 to 2485.

§ 2481. Defense commissary and exchange systems: existence and purpose

(a) SEPARATE SYSTEMS.—The Secretary of Defense shall operate, in the manner provided by this chapter and other provisions of law, a world-wide system of commissary stores and a separate world-wide system of exchange stores. The stores of each system may sell, at reduced prices, food and other merchandise to members of the uniformed services on active duty, members of the uniformed services entitled to retired pay, dependents of such members, and persons authorized to use the system under chapter 54 of this title. Any reference in this chapter to “the