

Subsec. (c)(1). Pub. L. 107-107, §821(d)(2)(A), substituted “system development and demonstration” for “demonstration and validation”.

Subsec. (c)(2). Pub. L. 107-107, §821(d)(2)(B), substituted “production and deployment” for “engineering and manufacturing development”.

Subsec. (c)(3). Pub. L. 107-107, §821(d)(2)(C), substituted “full rate production” for “production and deployment”.

Subsec. (d)(2). Pub. L. 107-107, §1048(b)(2), substituted “Under Secretary of Defense for Acquisition, Technology, and Logistics” for “Under Secretary of Defense for Acquisition and Technology”.

1994—Pub. L. 103-355 amended section generally. Prior to amendment, section related to enhanced program stability.

1993—Subsec. (b)(2)(B). Pub. L. 103-160 substituted “Under Secretary of Defense for Acquisition and Technology” for “Under Secretary of Defense for Acquisition”.

1990—Subsec. (b)(1). Pub. L. 101-510, §1484(k)(11), struck out closing parenthesis after “such Secretary” in introductory provisions.

Subsec. (c). Pub. L. 101-510, §1207(b), struck out subsec. (c) which read as follows: “STABILITY OF PROGRAM MANAGERS.—(1) The tour of duty of an officer of the armed forces as a program manager of a major defense acquisition program shall be (A) not less than four years, or (B) until completion of a major program milestone (as defined in regulations prescribed by the Secretary of Defense).

“(2) The Secretary of the military department concerned may waive the length of the tour of duty prescribed in paragraph (1). The authority under the preceding sentence may not be delegated.”

1989—Subsec. (a)(2)(B)(iv). Pub. L. 101-189, §811(b)(1), substituted “production” for “development”.

Subsec. (b)(1). Pub. L. 101-189, §811(b)(2)(A), substituted “service acquisition executive designated by such Secretary” for “senior procurement executive of such military department (designated pursuant to section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)))”.

Subsec. (b)(2). Pub. L. 101-189, §811(b)(2)(B), substituted “180 days” for “90 days” in introductory provisions.

1988—Subsec. (b)(2). Pub. L. 100-456 clarified amendment by Pub. L. 100-180, §803(a). See 1987 Amendment note below.

Subsec. (c). Pub. L. 100-370 added subsec. (c).

1987—Subsec. (b)(2). Pub. L. 100-180, as amended by Pub. L. 100-456, substituted “under paragraph (1), and for which the total cost of completion of the stage will exceed by 15 percent or more, in the case of a development stage, or by 5 percent or more, in the case of a production stage, the amount specified in the baseline description established under subsection (a) for such stage; or any milestone specified in such baseline description will be missed by more than 90 days” for first reference to “under paragraph (1)”.

Subsec. (c). Pub. L. 100-26, §7(b)(6), struck out subsec. (c) which defined “major defense acquisition program”.

#### EFFECTIVE DATE OF 2006 AMENDMENT

Amendment by Pub. L. 109-163 effective on Jan. 6, 2006, and applicable with respect to any major defense acquisition program for which an original Baseline Estimate is first established before, on, or after Jan. 6, 2006, see section 802(e) of Pub. L. 109-163, set out as a note under section 2433 of this title.

#### EFFECTIVE DATE OF 1990 AMENDMENT

Pub. L. 101-510, div. A, title XII, §1207(b), Nov. 5, 1990, 104 Stat. 1665, provided that the amendment made by that section is effective Oct. 1, 1991.

#### EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-456 applicable as if included in the enactment of Pub. L. 100-180, see section

1233(j)(5) of Pub. L. 100-456 set out as a note under section 2366 of this title.

#### EFFECTIVE DATE

Pub. L. 99-500, §101(c) [title X, §904(b)], Oct. 18, 1986, 100 Stat. 1783-82, 1783-134, and Pub. L. 99-591, §101(c) [title X, §904(b)], Oct. 30, 1986, 100 Stat. 3341-82, 3341-134, and Pub. L. 99-661, div. A, title IX, formerly title IV, §904(b), Nov. 14, 1986, 100 Stat. 3914, renumbered title IX, Pub. L. 100-26, §3(5), Apr. 21, 1987, 101 Stat. 273, provided that: “Section 2435 of title 10, United States Code (as added by subsection (a)(1)), shall apply to major defense acquisition programs that enter full-scale engineering development or full-rate production after the date of the enactment of this Act [Oct. 18, 1986].”

#### REVIEW OF ACQUISITION PROGRAM CYCLE

Pub. L. 103-355, title V, §5002(a), Oct. 13, 1994, 108 Stat. 3350, provided that: “The Secretary of Defense shall review the regulations of the Department of Defense to ensure that acquisition program cycle procedures are focused on achieving the goals that are consistent with the program baseline description established pursuant to section 2435 of title 10, United States Code.”

### § 2436. Major defense acquisition programs: incentive program for contractors to purchase capital assets manufactured in United States

(a) ESTABLISHMENT OF INCENTIVE PROGRAM.—The Secretary of Defense shall plan and establish an incentive program in accordance with this section for contractors to purchase capital assets manufactured in the United States in part with funds available to the Department of Defense.

(b) DEFENSE INDUSTRIAL CAPABILITIES FUND MAY BE USED.—The Secretary of Defense may use the Defense Industrial Capabilities Fund, established under section 814 of the National Defense Authorization Act for Fiscal Year 2004, for incentive payments under the program established under this section.

(c) APPLICABILITY TO MAJOR DEFENSE ACQUISITION PROGRAM CONTRACTS.—The incentive program shall apply to contracts for the procurement of a major defense acquisition program.

(d) CONSIDERATION.—The Secretary of Defense shall provide consideration in source selection in any request for proposals for a major defense acquisition program for offerors with eligible capital assets.

(Added Pub. L. 108-136, div. A, title VIII, §822(a)(1), Nov. 24, 2003, 117 Stat. 1546.)

#### REFERENCES IN TEXT

Section 814 of the National Defense Authorization Act for Fiscal Year 2004, referred to in subsec. (b), is section 814 of Pub. L. 108-136, which is set out in a note under section 2501 of this title.

#### PRIOR PROVISIONS

A prior section 2436, added Pub. L. 99-500, §101(c) [title X, §905(a)(1)], Oct. 18, 1986, 100 Stat. 1783-82, 1783-134, and Pub. L. 99-591, §101(c) [title X, §905(a)(1)], Oct. 30, 1986, 100 Stat. 3341-82, 3341-134; Pub. L. 99-661, div. A, title IX, formerly title IV, §905(a)(1), Nov. 14, 1986, 100 Stat. 3914; renumbered title IX, Pub. L. 100-26, §3(5), Apr. 21, 1987, 101 Stat. 273; amended Pub. L. 100-26, §7(b)(7), Apr. 21, 1987, 101 Stat. 280; Pub. L. 100-180, div. A, title VIII, §803(c), title XII, §1231(14), Dec. 4, 1987, 101 Stat. 1125, 1160; Pub. L. 101-510, div. A, title XIV, §1484(h)(4), Nov. 5, 1990, 104 Stat. 1718, related to establishment and conduct of the defense enterprise program, prior to repeal by Pub. L. 103-160, div. A, title VIII, §821(a)(5), Nov. 30, 1993, 107 Stat. 1704.

## EFFECTIVE DATE

Pub. L. 108-136, div. A, title VIII, §822(c), Nov. 24, 2003, 117 Stat. 1547, provided that: “Section 2436 of title 10, United States Code, as added by subsection (a), shall apply with respect to contracts entered into after the expiration of the 18-month period beginning on the date of the enactment of this Act [Nov. 24, 2003].”

## REGULATIONS

Pub. L. 108-136, div. A, title VIII, §822(b), Nov. 24, 2003, 117 Stat. 1547, provided that:

“(1) The Secretary of Defense shall prescribe regulations as necessary to carry out section 2436 of title 10, United States Code, as added by this section.

“(2) The Secretary may prescribe interim regulations as necessary to carry out such section. For this purpose, the Secretary is excepted from compliance with the notice and comment requirements of section 553 of title 5, United States Code. All interim rules prescribed under the authority of this paragraph that are not earlier superseded by final rules shall expire no later than 270 days after the effective date of section 2436 of title 10, United States Code [see Effective Date note above], as added by this section.”

**§ 2437. Development of major defense acquisition programs: sustainment of system to be replaced**

(a) REQUIREMENT FOR SUSTAINING EXISTING FORCES.—(1) The Secretary of Defense shall require that, whenever a new major defense acquisition program begins development, the defense acquisition authority responsible for that program shall develop a plan (to be known as a “sustainment plan”) for the existing system that the system under development is intended to replace. Any such sustainment plan shall provide for an appropriate level of budgeting for sustaining the existing system until the replacement system to be developed under the major defense acquisition program is fielded and assumes the majority of responsibility for the mission of the existing system. This section does not apply to a major defense acquisition that reaches initial operational capability before October 1, 2008.

(2) In this section, the term “defense acquisition authority” means the Secretary of a military department or the commander of the United States Special Operations Command.

(b) SUSTAINMENT PLAN.—The Secretary of Defense shall require that each sustainment plan under this section include, at a minimum, the following:

(1) The milestone schedule for the development of the major defense acquisition program, including the scheduled dates for low-rate initial production, initial operational capability, full-rate production, and full operational capability and the date as of when the replacement system is scheduled to assume the majority of responsibility for the mission of the existing system.

(2) An analysis of the existing system to assess the following:

(A) Anticipated funding levels necessary to—

(i) ensure acceptable reliability and availability rates for the existing system; and

(ii) maintain mission capability of the existing system against the relevant threats.

(B) The extent to which it is necessary and appropriate to—

(i) transfer mature technologies from the new system or other systems to enhance the mission capability of the existing system against relevant threats; and

(ii) provide interoperability with the new system during the period from initial fielding until the new system assumes the majority of responsibility for the mission of the existing system.

(c) EXCEPTIONS.—Subsection (a) shall not apply to a major defense acquisition program if the Secretary of Defense determines that—

(1) the existing system is no longer relevant to the mission;

(2) the mission has been eliminated;

(3) the mission has been consolidated with another mission in such a manner that another existing system can adequately meet the mission requirements; or

(4) the duration of time until the new system assumes the majority of responsibility for the existing system’s mission is sufficiently short so that mission availability, capability, interoperability, and force protection requirements are maintained.

(d) WAIVER.—The Secretary of Defense may waive the applicability of subsection (a) to a major defense acquisition program if the Secretary determines that, but for such a waiver, the Department would be unable to meet national security objectives. Whenever the Secretary makes such a determination and authorizes such a waiver, the Secretary shall submit notice of such waiver and of the Secretary’s determination and the reasons therefor in writing to the congressional defense committees.

(Added Pub. L. 108-375, div. A, title VIII, §805(a)(1), Oct. 28, 2004, 118 Stat. 2008.)

## PRIOR PROVISIONS

A prior section 2437, added Pub. L. 99-500, §101(c) [title X, §906(a)(1)], Oct. 18, 1986, 100 Stat. 1783-82, 1783-135, and Pub. L. 99-591, §101(c) [title X, §906(a)(1)], Oct. 30, 1986, 100 Stat. 3341-82, 3341-135; Pub. L. 99-661, div. A, title IX, formerly title IV, §906(a)(1), Nov. 14, 1986, 100 Stat. 3915; renumbered title IX, Pub. L. 100-26, §3(5), Apr. 21, 1987, 101 Stat. 273; amended Pub. L. 100-26, §7(b)(8), Apr. 21, 1987, 101 Stat. 280; Pub. L. 100-180, div. A, title VIII, §803(b), Dec. 4, 1987, 101 Stat. 1125; Pub. L. 100-224, §5(a)(3), Dec. 30, 1987, 101 Stat. 1538, related to designation of defense enterprise programs for milestone authorization, prior to repeal by Pub. L. 103-160, div. A, title VIII, §821(a)(5), Nov. 30, 1993, 107 Stat. 1704.

## EFFECTIVE DATE

Pub. L. 108-375, div. A, title VIII, §805(b), Oct. 28, 2004, 118 Stat. 2009, provided that: “Section 2437 of title 10, United States Code, as added by subsection (a), shall apply with respect to a major defense acquisition program for a system that is under development as of the date of the enactment of this Act [Oct. 28, 2004] and is not expected to reach initial operational capability before October 1, 2008. The Secretary of Defense shall require that a sustainment plan under that section be developed not later than one year after the date of the enactment of this Act for the existing system that the system under development is intended to replace.”