

“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).

#### EFFECTIVE DATE OF 2018 AMENDMENT

Amendment by Pub. L. 115-232 effective Feb. 1, 2019, with provision for the coordination of amendments and special rule for certain redesignations, see section 800 of Pub. L. 115-232, set out as a note preceding section 3001 of this title.

#### 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) STRATEGIC SOURCING PLAN OF ACTION DEFINED.—In this section, the term “Strategic Sourcing Plan of Action” means a 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) in effect for a fiscal 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, re-

structuring, 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; amended Pub. L. 115-91, div. A, title X, §1051(a)(17), Dec. 12, 2017, 131 Stat. 1561.)

#### AMENDMENTS

2017—Subsec. (a). Pub. L. 115-91 amended subsec. (a) generally. Prior to amendment, subsec. (a) required the Secretary of Defense to submit the Strategic Sourcing Plan of Action to Congress annually.

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

(a) MINIMUM INVESTMENT.—Each fiscal year, the Secretary of a military department shall invest 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 sustenance 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.”

#### STRATEGY TO IMPROVE INFRASTRUCTURE OF CERTAIN DEPOTS OF THE DEPARTMENT OF DEFENSE

Pub. L. 116-92, div. A, title III, §359, Dec. 20, 2019, 133 Stat. 1323, provided that:

“(a) STRATEGY REQUIRED.—Not later than October 1, 2020, the Secretary of Defense shall submit to the congressional defense committees [Committees on Armed Services and Appropriations of the Senate and the House of Representatives] a comprehensive strategy for improving the depot infrastructure of the military departments with the objective of ensuring that all covered depots have the capacity and capability to support the readiness and material availability goals of current and future weapon systems of the Department of Defense.

“(b) ELEMENTS.—The strategy under subsection (a) shall include the following:

“(1) A comprehensive review of the conditions and performance at each covered depot, including the following:

“(A) An assessment of the current status of the following elements:

“(i) Cost and schedule performance of the depot.

“(ii) Material availability of weapon systems supported at the depot and the impact of the performance of the depot on that availability.

“(iii) Work in progress and non-operational items awaiting depot maintenance.

“(iv) The condition of the depot.

“(v) The backlog of restoration and modernization projects at the depot.

“(vi) The condition of equipment at the depot.

“(vii) the vulnerability of the depot to adverse environmental conditions and, if necessary, the investment required to withstand those conditions.

“(B) An identification of analytically based goals relating to the elements identified in subparagraph (A).

“(2) A business-case analysis that assesses investment alternatives comparing cost, performance, risk, and readiness outcomes and recommends an optimal investment approach across the Department of Defense to ensure covered depots efficiently and effectively meet the readiness goals of the Department, including an assessment of the following alternatives:

“(A) The minimum investment necessary to meet investment requirements under section 2476 of title 10, United States Code.

“(B) The investment necessary to ensure the current inventory of facilities at covered depots can meet the mission-capable, readiness, and contingency goals of the Secretary of Defense.

“(C) The investment necessary to execute the depot infrastructure optimization plans of each military department.

“(D) Any other strategies for investment in covered depots, as identified by the Secretary.

“(3) A plan to improve conditions and performance of covered depots that identifies the following:

“(A) The approach of the Secretary of Defense for achieving the goals outlined in paragraph (1)(B).

“(B) The resources and investments required to implement the plan.

“(C) The activities and milestones required to implement the plan.

“(D) A results-oriented approach to assess—

“(i) the progress of each military department in achieving such goals; and

“(ii) the progress of the Department in implementing the plan.

“(E) Organizational roles and responsibilities for implementing the plan.

“(F) A process for conducting regular management review and coordination of the progress of each military department in implementing the plan and achieving such goals.

“(G) The extent to which the Secretary has addressed recommendations made by the Comptroller General of the United States relating to depot operations during the five-year period preceding the date of submittal of the strategy under this section.

“(H) Risks to implementing the plan and mitigation strategies to address those risks.

“(c) ANNUAL REPORT ON PROGRESS.—As part of the annual budget submission of the President under section 1105(a) of title 31, United States Code, the Secretary of Defense shall submit to the congressional defense committees a report describing the progress made in—

“(1) implementing the strategy under subsection (a); and

“(2) achieving the goals outlined in subsection (b)(1)(B).

“(d) COMPTROLLER GENERAL REPORTS.—

“(1) ASSESSMENT OF STRATEGY.—Not later than January 1, 2021, the Comptroller General of the United States shall submit to the congressional defense committees a report assessing the extent to which the strategy under subsection (a) meets the requirements of this section.

“(2) ASSESSMENT OF IMPLEMENTATION.—Not later than April 1, 2022, the Comptroller General shall submit to the congressional defense committees a report setting forth an assessment of the extent to which the strategy under subsection (a) has been effectively implemented by each military department and the Secretary of Defense.

“(e) COVERED DEPOT DEFINED.—In this section, the term ‘covered depot’ has the meaning given that term in section 2476(e) of title 10, United States Code.”

#### 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

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#### 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 “COMMISSARIES 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”.