

(A) are made as the work on manufacture or articles is being performed or services are being performed or equipment or facilities are used, as the case may be; and

(B) result in full payment being completed as the required work is being completed.

(4) The term “full costs”, with respect to articles or services provided under a cooperative arrangement entered into under subsection (a), means the variable costs and the fixed costs that are directly related to the production of the articles or the provision of the services.

(5) The term “variable costs” means the costs that are expected to fluctuate directly with the volume of sales or services provided or the use of equipment or facilities.

(Added Pub. L. 108–375, div. A, title III, §353(a), Oct. 28, 2004, 118 Stat. 1859, §4544; amended Pub. L. 109–163, div. A, title III, §321, Jan. 6, 2006, 119 Stat. 3191; Pub. L. 109–364, div. A, title X, §1071(a)(29), Oct. 17, 2006, 120 Stat. 2399; Pub. L. 110–181, div. A, title III, §328(a), Jan. 28, 2008, 122 Stat. 66; Pub. L. 111–84, div. A, title III, §324(a), Oct. 28, 2009, 123 Stat. 2253; Pub. L. 112–81, div. A, title III, §323(a), Dec. 31, 2011, 125 Stat. 1362; renumbered §7544, Pub. L. 115–232, div. A, title VIII, §808(d), Aug. 13, 2018, 132 Stat. 1839.)

PRIOR PROVISIONS

Prior sections 7544 to 7547 were renumbered sections 8764 to 8767 of this title, respectively.

AMENDMENTS

2018—Pub. L. 115–232 renumbered section 4544 of this title as this section.

2011—Subsec. (a). Pub. L. 112–81, §323(a)(1), struck out second sentence which read as follows: “This authority may be used to enter into not more than eight contracts or cooperative agreements in addition to the contracts and cooperative agreements in place as of the date of the enactment of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110–181).”

Subsec. (k). Pub. L. 112–81, §323(a)(2), struck out subsec. (k). Prior to amendment, text read as follows: “The authority to enter into a cooperative arrangement under subsection (a) expires September 30, 2014.”

2009—Subsec. (a). Pub. L. 111–84 inserted “in addition to the contracts and cooperative agreements in place as of the date of the enactment of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110–181)” after “not more than eight contracts or cooperative agreements”.

2008—Subsec. (a). Pub. L. 110–181, §328(a)(1), inserted at end “This authority may be used to enter into not more than eight contracts or cooperative agreements.”

Subsec. (k). Pub. L. 110–181, §328(a)(2), substituted “2014” for “2009”.

2006—Subsec. (d). Pub. L. 109–364 substituted “Arrangement” for “Arrangement” in heading.

Pub. L. 109–163, §321(b)(1), substituted “subsection (f)” for “subsection (e)” in introductory provisions.

Subsecs. (e), (f). Pub. L. 109–163, §321(b)(2), (3), added subsec. (e) and redesignated former subsec. (e) as (f). Former subsec. (f) redesignated (g).

Subsec. (g). Pub. L. 109–163, §321(b)(4), substituted “subsection (f)” for “subsection (e)”.

Pub. L. 109–163, §321(b)(2), redesignated subsec. (f) as (g). Former subsec. (g) redesignated (h).

Subsecs. (h), (i). Pub. L. 109–163, §321(b)(2), redesignated subsecs. (g) and (h) as (h) and (i), respectively. Former subsec. (i) redesignated (j).

Subsec. (j). Pub. L. 109–163, §321(b)(2), redesignated subsec. (i) as (j). Former subsec. (j) redesignated (k).

Pub. L. 109–163, §321(a), substituted “September 30, 2009.” for “September 30, 2009, and arrangements en-

tered into under such subsection shall terminate not later than that date.”

Subsec. (k). Pub. L. 109–163, §321(b)(2), redesignated subsec. (j) as (k).

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.

CHAPTER 764—ARMAMENTS INDUSTRIAL BASE

Sec.	
7551.	Definitions.
7552.	Policy.
7553.	Armament Retooling and Manufacturing Support Initiative.
7554.	Property management contracts and leases.
7555.	ARMS Initiative loan guarantee program.

AMENDMENTS

2018—Pub. L. 115–232, div. A, title VIII, §808(e)(4), (f)(1), Aug. 13, 2018, 132 Stat. 1839, redesignated chapter 434 of this title as this chapter and items 4551 to 4555 as 7551 to 7555, respectively.

§ 7551. Definitions

In this chapter:

(1) The term “ARMS Initiative” means the Armament Retooling and Manufacturing Support Initiative authorized by this chapter.

(2) The term “eligible facility” means a Government-owned, contractor-operated ammunition manufacturing facility, or a Government-owned, contractor-operated depot for the storage, maintenance, renovation, or demilitarization of ammunition, of the Department of the Army that is in an active, inactive, layaway, or caretaker status.

(3) The term “property manager” includes any person or entity managing an eligible facility made available under the ARMS Initiative through a property management contract.

(4) The term “property management contract” includes facility use contracts, site management contracts, leases, and other agreements entered into under the authority of this chapter.

(5) The term “Secretary” means the Secretary of the Army.

(Added Pub. L. 106–398, §1 [[div. A], title III, §344(a)(1)], Oct. 30, 2000, 114 Stat. 1654, 1654A–67, §4551; amended Pub. L. 109–163, div. A, title III, §323(a), Jan. 6, 2006, 119 Stat. 3193; renumbered §7551, Pub. L. 115–232, div. A, title VIII, §808(d), Aug. 13, 2018, 132 Stat. 1839.)

AMENDMENTS

2018—Pub. L. 115–232 renumbered section 4551 of this title as this section.

2006—Par. (2). Pub. L. 109–163, §323(a), inserted “, or a Government-owned, contractor-operated depot for the storage, maintenance, renovation, or demilitarization of ammunition,” after “manufacturing facility”.

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.

GUIDANCE REGARDING USE OF ORGANIC INDUSTRIAL
BASE

Pub. L. 115-91, div. A, title III, §323, Dec. 12, 2017, 131 Stat. 1353, provided that: “Not later than 90 days after the date of the enactment of this Act [Dec. 12, 2017], the Secretary of the Army shall establish clear and prescriptive guidance on the process for conducting make-or-buy analyses for Army requirements, including the use of the organic industrial base.”

INCLUSION OF CERTAIN INDUSTRIAL PLANTS IN THE AR-
MAMENT RETOOLING AND MANUFACTURING SUPPORT
INITIATIVE

Pub. L. 114-328, div. A, title III, §323, Dec. 23, 2016, 130 Stat. 2076, as amended by Pub. L. 115-232, div. A, title VIII, §809(b)(8), Aug. 13, 2018, 132 Stat. 1841, provided that: “During the five-year period beginning on the date of the enactment of this Act [Dec. 23, 2016], the Secretary of Defense may treat a Government-owned, contractor-operated industrial plant of the Department of Defense as an eligible facility under section 7551(2) of title 10, United States Code.”

CONSIDERATION OF ARMY ARSENALS’ CAPABILITIES TO
FULFILL MANUFACTURING REQUIREMENTS

Pub. L. 113-66, div. A, title III, §323, Dec. 26, 2013, 127 Stat. 733, provided that:

“(a) CONSIDERATION OF CAPABILITY OF ARSENALS.—When undertaking a make-or-buy analysis, a program executive officer or program manager of a military service or Defense Agency shall consider the capability of arsenals owned by the United States to fulfill a manufacturing requirement.

“(b) NOTIFICATION OF SOLICITATIONS.—Not later than 180 days after the date of the enactment of this Act [Dec. 26, 2013], the Secretary of Defense shall establish and begin implementation of a system for ensuring that the arsenals owned by the United States are notified of any solicitation that fulfills a manufacturing requirement for which there is no or limited domestic commercial source and which may be appropriate for manufacturing within an arsenal owned by the United States.”

§ 7552. Policy

It is the policy of the United States—

(1) to encourage, to the maximum extent practicable, commercial firms to use Government-owned, contractor-operated ammunition manufacturing, storage, maintenance, renovation, and demilitarization facilities of the Department of the Army;

(2) to use such facilities for supporting programs, projects, policies, and initiatives that promote competition in the private sector of the United States economy and that advance United States interests in the global marketplace;

(3) to increase the manufacture of products inside the United States;

(4) to support policies and programs that provide manufacturers with incentives to assist the United States in making more efficient and economical use of eligible facilities for commercial purposes;

(5) to provide, as appropriate, small businesses (including socially and economically disadvantaged small business concerns and new small businesses) with incentives that encourage those businesses to undertake manufacturing and other industrial processing activities that contribute to the prosperity of the United States;

(6) to encourage the creation of jobs through increased investment in the private sector of the United States economy;

(7) to foster a more efficient, cost-effective, and adaptable armaments industry in the United States;

(8) to achieve, with respect to armaments manufacturing, storage, maintenance, renovation, and demilitarization capacity, an optimum level of readiness of the national technology and industrial base within the United States that is consistent with the projected threats to the national security of the United States and the projected emergency requirements of the armed forces; and

(9) to encourage facility use contracting where feasible.

(Added Pub. L. 106-398, §1 [[div. A], title III, §344(a)(1)], Oct. 30, 2000, 114 Stat. 1654, 1654A-67, §4552; amended Pub. L. 109-163, div. A, title III, §323(c), Jan. 6, 2006, 119 Stat. 3194; renumbered §7552, Pub. L. 115-232, div. A, title VIII, §808(d), Aug. 13, 2018, 132 Stat. 1839.)

AMENDMENTS

2018—Pub. L. 115-232 renumbered section 4552 of this title as this section.

2006—Pars. (1), (8). Pub. L. 109-163 inserted “, storage, maintenance, renovation, and demilitarization” after “manufacturing”.

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.

§ 7553. Armament Retooling and Manufacturing Support Initiative

(a) AUTHORITY FOR INITIATIVE.—The Secretary may carry out a program to be known as the “Armament Retooling and Manufacturing Support Initiative”.

(b) PURPOSES.—The purposes of the ARMS Initiative are as follows:

(1) To encourage commercial firms, to the maximum extent practicable, to use eligible facilities for commercial purposes.

(2) To increase the opportunities for small businesses (including socially and economically disadvantaged small business concerns and new small businesses) to use eligible facilities for those purposes.

(3) To maintain in the United States a work force having the skills necessary to meet industrial emergency planned requirements for national security purposes.

(4) To demonstrate innovative business practices, to support Department of Defense acquisition reform, and to serve as both a model and a laboratory for future defense conversion initiatives of the Department of Defense.

(5) To the maximum extent practicable, to allow the operation of eligible facilities to be rapidly responsive to the forces of free market competition.

(6) To reduce or eliminate the cost of Government ownership of eligible facilities, including the costs of operations and maintenance, the costs of environmental remediation, and other costs.

(7) To reduce the cost of products of the Department of Defense produced at eligible facilities.