

**§ 2201. Apportionment of funds; authority for exemption; excepted expenses**

(a) EXEMPTION FROM APPORTIONMENT REQUIREMENT.—If the President determines such action to be necessary in the interest of national defense, the President may exempt from the provisions of section 1512 of title 31 appropriations, funds, and contract authorizations available for military functions of the Department of Defense.

(b) AIRBORNE ALERTS.—Upon a determination by the President that such action is necessary, the Secretary of Defense may provide for the cost of an airborne alert as an excepted expense under section 6301(a) and (b)(1)–(3) of title 41.

(c) MEMBERS ON ACTIVE DUTY.—Upon a determination by the President that it is necessary to increase (subject to limits imposed by law) the number of members of the armed forces on active duty beyond the number for which funds are provided in appropriation Acts for the Department of Defense, the Secretary of Defense may provide for the cost of such additional members as an excepted expense under section 6301(a) and (b)(1)–(3) of title 41.

(d) NOTIFICATION TO CONGRESS.—The Secretary of Defense shall immediately notify Congress of the use of any authority under this section.

(Added Pub. L. 100–370, §1(d)(1)(A), July 19, 1988, 102 Stat. 841; amended Pub. L. 106–65, div. A, title X, §1032(a)(1), Oct. 5, 1999, 113 Stat. 751; Pub. L. 111–350, §5(b)(4), Jan. 4, 2011, 124 Stat. 3842.)

HISTORICAL AND REVISION NOTES

Section is based on Pub. L. 99–190, §101(b) [title VIII, §8009], Dec. 19, 1985, 99 Stat. 1185, 1204.

In two instances, the source law to be codified by the bill includes provisions that on their face require that the Department of Defense notify Congress of certain actions. These notification requirements were terminated by section 602 of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99–433), which terminated all recurring reporting requirements applicable to the Department of Defense except for those requirements that were specifically exempted in that section. The source law sections are sections 8009(c) and 8005(j) (proviso) of the FY86 defense appropriations Act (Public Law 99–190), enacted December 19, 1985, which would be codified as section 2201 of title 10 (by section 1(d) of the bill) and section 7313(a) of title 10 (by section 1(n) of the bill). In codifying the authorities provided the Department of Defense by these two provisions of law, the committee believes that it is appropriate to reinstate the congressional notification requirements that go with those authorities. These sections were recurring annual appropriation provisions for many years and were made permanent only months before the enactment of the 1986 Reorganization Act. It is the committee's belief that the failure to exempt these provisions from the general reports termination provision was inadvertent and notes that the notification provisions had in fact previously applied to the Department of Defense for many years. The action of the committee restores the status quo as it existed before the Reorganization Act.

**Editorial Notes**

PRIOR PROVISIONS

A prior section 2201, act Aug. 10, 1956, ch. 1041, 70A Stat. 119, prescribed the general functions of the Secretary of Defense, prior to repeal by Pub. L. 85–599, §3(c), Aug. 6, 1958, 72 Stat. 516. See section 113 of this title.

AMENDMENTS

2011—Subsec. (b). Pub. L. 111–350, §5(b)(4)(A), substituted “section 6301(a) and (b)(1)–(3) of title 41” for “section 3732(a) of the Revised Statutes (41 U.S.C. 11(a))”.

Subsec. (c). Pub. L. 111–350, §5(b)(4)(B), substituted “section 6301(a) and (b)(1)–(3) of title 41” for “section 3732(a) of the Revised Statutes (41 U.S.C. 11(a))”.

1999—Subsec. (d). Pub. L. 106–65 substituted “Defense” for “Defense—”, struck out par. (1) designation, substituted “this section.” for “this section; and”, and struck out par. (2) which read as follows: “shall submit monthly reports to Congress on the estimated obligations incurred pursuant to subsections (b) and (c).”

**§ 2202. Regulations on production, warehousing, and supply distribution functions**

The Secretary of Defense shall prescribe regulations governing the performance within the Department of Defense of the production, warehousing, and supply distribution functions, and related functions, of the Department of Defense.

(Aug. 10, 1956, ch. 1041, 70A Stat. 120; Pub. L. 100–180, div. A, title XII, §1202, Dec. 4, 1987, 101 Stat. 1153; Pub. L. 103–355, title III, §3061(a), Oct. 13, 1994, 108 Stat. 3336; Pub. L. 116–283, div. A, title XVIII, §1807(b)(2), Jan. 1, 2021, 134 Stat. 4157.)

HISTORICAL AND REVISION NOTES

<i>Revised section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
2202 .....	41:162.	July 10, 1952, ch. 630, § 638, 66 Stat. 537.

The words “an officer or agency \* \* \* may \* \* \* only” are substituted for the words “no officer or agency \* \* \* shall \* \* \* except”. The word “of”, before the words “the Department”, is substituted for the words “in or under”. The words “under regulations prescribed” are substituted for the words “in accordance with regulations issued”. The words “after the effective date of this section” and 41:162(b) are omitted as executed. The words “or equipment” are omitted as covered by the definition of “supplies” in section 101(26) of this title.

**Editorial Notes**

AMENDMENTS

2021—Pub. L. 116–283 struck out “procurement,” before “production,” in section catchline and text.

1994—Pub. L. 103–355 amended heading and text generally. Prior to amendment, text read as follows:

“(a) Notwithstanding any other provision of law, an officer or agency of the Department of Defense may obligate funds for procuring, producing, warehousing, or distributing supplies, or for related functions of supply management, only under regulations prescribed by the Secretary of Defense. The purpose of this section is to achieve the efficient, economical, and practical operation of an integrated supply system to meet the needs of the military departments without duplicate or overlapping operations or functions.

“(b) Except as otherwise provided by law, the availability for obligation of funds appropriated for any program, project, or activity of the Department of Defense expires at the end of the three-year period beginning on the date that such funds initially become available for obligation unless before the end of such period the Secretary of Defense enters into a contract for such program, project, or activity.”

1987—Pub. L. 100–180 designated existing provisions as subsec. (a) and added subsec. (b).

**Statutory Notes and Related Subsidiaries**

EFFECTIVE DATE OF 2021 AMENDMENT

Amendment by Pub. L. 116-283 effective Jan. 1, 2022, with additional provisions for delayed implementation and applicability of existing law, see section 1801(d) of Pub. L. 116-283, set out as a note preceding section 3001 of this title.

EFFECTIVE DATE OF 1994 AMENDMENT

For effective date and applicability of amendment by Pub. L. 103-355, see section 10001 of Pub. L. 103-355, set out as a note under section 8752 of this title.

**§ 2203. Budget estimates**

To account for, and report, the cost of performance of readily identifiable functional programs and activities, with segregation of operating and capital programs, budget estimates of the Department of Defense shall be prepared, presented, and justified, where practicable, and authorized programs shall be administered, in such form and manner as the Secretary of Defense, subject to the authority and direction of the President, may prescribe. As far as practicable, budget estimates and authorized programs of the military departments shall be uniform and in readily comparable form. The budget for the Department of Defense submitted to Congress for each fiscal year shall include data projecting the effect of the appropriations requested for materiel readiness requirements. The Secretary of Defense shall provide that the budget justification documents for such budget include information on the number of employees of contractors estimated to be working on contracts of the Department of Defense during the fiscal year for which the budget is submitted. Such information shall be set forth in terms of employee-years or such other measure as will be uniform and readily comparable with civilian personnel of the Department of Defense.

(Added Pub. L. 87-651, title II, §207(a), Sept. 7, 1962, 76 Stat. 520; amended Pub. L. 97-295, §1(21), Oct. 12, 1982, 96 Stat. 1290; Pub. L. 99-661, div. A, title III, §311, Nov. 14, 1986, 100 Stat. 3851.)

HISTORICAL AND REVISION NOTES  
1956 ACT

<i>Revised section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
2203 .....	5:172b.	July 26, 1947, ch. 343, §403; added Aug. 10, 1949, ch. 412, §11 (5th and 6th pars.), 63 Stat. 586.

The word “prescribe” is substituted for the word “determine”. 5 U.S.C. 172b(b) is omitted as executed.

1982 ACT

<i>Revised section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
2203 (last sentence).	10:2203 (note).	July 30, 1977, Pub. L. 95-79, §812 (last sentence), 91 Stat. 336.

The words “for fiscal year 1979” are omitted as executed. The words “for each fiscal year” are substituted for “subsequent fiscal years” for consistency.

**Editorial Notes**

AMENDMENTS

1986—Pub. L. 99-661 inserted provisions that budget justification documents include information on number of employees estimated to be working during the fiscal year, such information to be set forth in terms of employee-years or other measure as is uniform and comparable with civilian personnel of the Department of Defense.

1982—Pub. L. 97-295 inserted provision requiring that the budget for the Department of Defense submitted annually to Congress include data projecting the effect of the appropriations requested for materiel readiness requirements.

**Statutory Notes and Related Subsidiaries**

PRESIDENTIAL RECOMMENDATIONS RESPECTING  
MODIFICATIONS IN CRUISE MISSILE PROGRAM

Pub. L. 95-184, title II, §203, Nov. 15, 1977, 91 Stat. 1382, provided that in authorizing funds under that Act [Pub. L. 95-184], Congress was asserting its readiness to consider, in accordance with the processes set forth in the Congressional Budget and Impoundment Control Act of 1974 [2 U.S.C. 621 et seq.] and the Budget and Accounting Act, 1921 [31 U.S.C. 1101 et seq.], such modifications in the United States cruise missile programs as the President might recommend to facilitate either negotiation or agreement in arms limitation or reduction talks.

REPORT TO CONGRESSIONAL COMMITTEES ON MATERIAL  
READINESS REQUIREMENTS FOR ARMED FORCES

Pub. L. 95-79, title VIII, §812, July 30, 1977, 91 Stat. 336, as amended by Pub. L. 97-295, §6(b), Oct. 12, 1982, 96 Stat. 1314, directed Secretary of Defense to submit to Congress, not later than February 15, 1978, a report setting forth quantifiable and measurable material readiness requirements for the Armed Forces, including the Reserve components thereof, monthly readiness status of the Armed Forces, including the reserve components thereof, during fiscal year 1977, and any changes in such requirements and status projected for fiscal years 1978 and 1979 and in the five-year defense program, and to inform Congress of any subsequent changes in the aforementioned materiel readiness requirements and the reasons for such changes.

MODIFICATIONS IN UNITED STATES STRATEGIC ARMS  
PROGRAMS ON RECOMMENDATION OF PRESIDENT

Pub. L. 95-79, title VIII, §813, July 30, 1977, 91 Stat. 337, provided that in authorizing procurement under section 101 of that Act and research and development under section 201 of that Act, Congress was asserting its readiness to consider, in accordance with the processes set forth in the Congressional Budget and Impoundment Control Act of 1974 [2 U.S.C. 621 et seq.] and the Budget and Accounting Act, 1921 [31 U.S.C. 1101 et seq.], such modifications in United States strategic arms programs as the President might recommend to facilitate either negotiation or agreement in the Strategic Arms Limitation Talks.

**§ 2204. Obligation of appropriations**

To prevent overdrafts and deficiencies in the fiscal year for which appropriations are made, appropriations made to the Department of Defense or to a military department, and reimbursements thereto, are available for obligation and expenditure only under scheduled rates of obligation, or changes thereto, that have been approved by the Secretary of Defense. This section does not prohibit the Department of Defense from incurring a deficiency that it has been authorized by law to incur.

(Added Pub. L. 87-651, title II, §207(a), Sept. 7, 1962, 76 Stat. 520.)