

(B) the offeror has submitted sufficient information to evaluate, through price analysis, the reasonableness of the price for such subsystem.

(c) TREATMENT OF COMPONENTS AND SPARE PARTS AS COMMERCIAL ITEMS.—(1) A component or spare part for a major weapon system (other than a commercially available off-the-shelf item as defined in section 35(c)¹ of the Office of Federal Procurement Policy Act (41 U.S.C. 431(c))) may be treated as a commercial item for the purposes of section 2306a of this title only if—

(A) the component or spare part is intended for—

(i) a major weapon system that is being purchased, or has been purchased, under procedures established for the procurement of commercial items in accordance with the requirements of subsection (a); or

(ii) a subsystem of a major weapon system that is being purchased, or has been purchased, under procedures established for the procurement of commercial items in accordance with the requirements of subsection (b); or

(B) the contracting officer determines in writing that—

(i) the component or spare part is a commercial item, as defined in section 4(12)¹ of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)); and

(ii) the offeror has submitted sufficient information to evaluate, through price analysis, the reasonableness of the price for such component or spare part.

(2) This subsection shall apply only to components and spare parts that are acquired by the Department of Defense through a prime contract or a modification to a prime contract (or through a subcontract under a prime contract or modification to a prime contract on which the prime contractor adds no, or negligible, value).

(d) INFORMATION SUBMITTED.—To the extent necessary to make a determination under subsection (a)(2), (b)(2), or (c)(1)(B), the contracting officer may request the offeror to submit—

(1) prices paid for the same or similar commercial items under comparable terms and conditions by both government and commercial customers; and

(2) if the contracting officer determines that the information described in paragraph (1) is not sufficient to determine the reasonableness of price, other relevant information regarding the basis for price or cost, including information on labor costs, material costs, and overhead rates.

(e) DELEGATION.—The authority of the Secretary of Defense to make a determination under subsection (a) may be delegated only to the Deputy Secretary of Defense, without further redelegation.

(f) MAJOR WEAPON SYSTEM DEFINED.—In this section, the term “major weapon system” means a weapon system acquired pursuant to a major defense acquisition program (as that term is defined in section 2430 of this title).

(Added Pub. L. 109–163, div. A, title VIII, §803(a)(1), Jan. 6, 2006, 119 Stat. 3370; amended

Pub. L. 110–181, div. A, title VIII, §815(a)(1), Jan. 28, 2008, 122 Stat. 222.)

REFERENCES IN TEXT

Section 4(12) of the Office of Federal Procurement Policy Act, referred to in subsecs. (a)(1)(A), (b)(2)(A), and (c)(1)(B)(i), means section 4(12) of Pub. L. 93–400, which was classified to section 403(12) of former Title 41, Public Contracts, and was repealed and restated in section 103 of Title 41, Public Contracts, by Pub. L. 111–350, §§3, 7(b), Jan. 4, 2011, 124 Stat. 3677, 3855. For disposition of sections of former Title 41, see Disposition Table preceding section 101 of Title 41.

Section 35(c) of the Office of Federal Procurement Policy Act, referred to in subsecs. (b) and (c)(1), means section 35(c) of Pub. L. 93–400, which was classified to section 431(c) of former Title 41, Public Contracts, and was repealed and restated as section 104 of Title 41, Public Contracts, by Pub. L. 111–350, §§3, 7(b), Jan. 4, 2011, 124 Stat. 3677, 3855. For disposition of sections of former Title 41, see Disposition Table preceding section 101 of Title 41.

AMENDMENTS

2008—Subsec. (a)(2), (3). Pub. L. 110–181, §815(a)(1)(A), added par. (2) and redesignated former par. (2) as (3).

Subsec. (b). Pub. L. 110–181, §815(a)(1)(B), added subsec. (b) and struck out former subsec. (b). Former text read as follows: “A subsystem or component of a major weapon system shall be treated as a commercial item and purchased under procedures established for the procurement of commercial items if such subsystem or component otherwise meets the requirements (other than requirements under subsection (a)) for treatment as a commercial item.”

Subsecs. (c) to (f). Pub. L. 110–181, §815(a)(1)(C), (D), added subsecs. (c) and (d) and redesignated former subsecs. (c) and (d) as (e) and (f), respectively.

EFFECTIVE DATE

Pub. L. 109–163, div. A, title VIII, §803(b), Jan. 6, 2006, 119 Stat. 3371, provided that: “The amendments made by subsection (a) [enacting this section] shall take effect on the date of the enactment of this Act [Jan. 6, 2006], and shall apply to contracts entered into on or after such date.”

CHAPTER 141—MISCELLANEOUS PROCUREMENT PROVISIONS

Sec.	
2381.	Contracts: regulations for bids.
2382.	Consolidation of contract requirements: policy and restrictions.
2383.	Contractor performance of acquisition functions closely associated with inherently governmental functions.
2384.	Supplies: identification of supplier and sources.
2384a.	Supplies: economic order quantities.
2385.	Arms and ammunition: immunity from taxation.
2386.	Copyrights, patents, designs, etc.; acquisition.
2387.	Procurement of table and kitchen equipment for officers' quarters: limitation on.
[2388.	Renumbered.]
2389.	Ensuring safety regarding insensitive munitions.
2390.	Prohibition on the sale of certain defense articles from the stocks of the Department of Defense.
2391.	Military base reuse studies and community planning assistance.
2392.	Prohibition on use of funds to relieve economic dislocations.
2393.	Prohibition against doing business with certain offerors or contractors.
[2394, 2394a.	Renumbered.]

- Sec.
2395. Availability of appropriations for procurement of technical military equipment and supplies.
2396. Advances for payments for compliance with foreign laws, rent in foreign countries, tuition, public utility services, and pay and supplies of armed forces of friendly foreign countries.
- [2397 to 2398a. Repealed or Renumbered.]
2399. Operational test and evaluation of defense acquisition programs.
2400. Low-rate initial production of new systems.
2401. Requirement for authorization by law of certain contracts relating to vessels, aircraft, and combat vehicles.
- 2401a. Lease of vehicles, equipment, vessels, and aircraft.
2402. Prohibition of contractors limiting subcontractor sales directly to the United States.
- [2403 to 2407. Repealed or Renumbered.]
2408. Prohibition on persons convicted of defense-contract related felonies and related criminal penalty on defense contractors.
2409. Contractor employees: protection from reprisal for disclosure of certain information.
- [2409a. Repealed.]
2410. Requests for equitable adjustment or other relief: certification.
- 2410a. Contracts for periods crossing fiscal years: severable service contracts; leases of real or personal property.
- 2410b. Contractor inventory accounting systems: standards.
- [2410c. Renumbered.]
- 2410d. Subcontracting plans: credit for certain purchases.
- [2410e. Repealed.]
- 2410f. Debarment of persons convicted of fraudulent use of "Made in America" labels.
- 2410g. Advance notification of contract performance outside the United States.
- [2410h. Renumbered.]
- 2410i. Prohibition on contracting with entities that comply with the secondary Arab boycott of Israel.
- 2410j. Displaced contractor employees: assistance to obtain certification and employment as teachers or employment as teachers' aides.
- 2410k. Defense contractors: listing of suitable employment openings with local employment service office.
- 2410l. Contracts for advisory and assistance services: cost comparison studies.
- 2410m. Retention of amounts collected from contractor during the pendency of contract dispute.
- 2410n. Products of Federal Prison Industries: procedural requirements.
- 2410o. Multiyear procurement authority: purchase of dinitrogen tetroxide, hydrazine, and hydrazine-related products.
- 2410p. Contracts: limitations on lead system integrators.
- 2410q. Multiyear contracts: purchase of electricity from renewable energy sources.

AMENDMENTS

2008—Pub. L. 110-181, div. A, title VIII, §828(b), title X, §1063(a)(11), Jan. 28, 2008, 122 Stat. 229, 322, inserted period at end of item 2410p and added item 2410q.

2006—Pub. L. 109-364, div. A, title VIII, §807(a)(2), div. B, title XXVIII, §2851(c)(2), Oct. 17, 2006, 120 Stat. 2315, 2495, added item 2410p and struck out items 2388 "Liquid fuels and natural gas: contracts for storage, handling, or distribution", 2394 "Contracts for energy or fuel for military installations", 2394a "Procurement of energy systems using renewable forms of energy", 2398 "Procurement of gasohol as motor vehicle fuel", 2398a "Procurement of fuel derived from coal, oil shale, and

tar sands", 2404 "Acquisition of certain fuel sources: authority to waive contract procedures; acquisition by exchange; sales authority", and 2410c "Preference for energy efficient electric equipment".

Pub. L. 109-163, div. A, title VIII, §815(d)(2), Jan. 6, 2006, 119 Stat. 3382, substituted "Requirement for authorization by law of certain contracts relating to vessels, aircraft, and combat vehicles" for "Requirement for authorization by law of certain contracts relating to vessels and aircraft" in item 2401.

2005—Pub. L. 109-58, title III, §369(q)(2), Aug. 8, 2005, 119 Stat. 733, added item 2398a.

2004—Pub. L. 108-375, div. A, title VIII, §804(a)(2), Oct. 28, 2004, 118 Stat. 2008, added item 2383.

2003—Pub. L. 108-136, div. A, title VIII, §801(a)(2), title X, §1005(b)(2), Nov. 24, 2003, 117 Stat. 1540, 1585, added item 2382 and substituted "Contracts for periods crossing fiscal years: severable service contracts; leases of real or personal property" for "Severable service contracts for periods crossing fiscal years" in item 2410a.

2002—Pub. L. 107-314, div. A, title VIII, §826(b), title X, §1062(a)(10)(B), Dec. 2, 2002, 116 Stat. 2617, 2650, transferred item 2410h "Acquisition fellowship program" to subchapter IV of chapter 87 as item 1747 and added item 2410o.

2001—Pub. L. 107-107, div. A, title VIII, §§811(a)(2), 834(a)(2), Dec. 28, 2001, 115 Stat. 1181, 1191, added items 2389 and 2410n.

1999—Pub. L. 106-65, div. A, title VIII, §803(b)(2), Oct. 5, 1999, 113 Stat. 704, substituted "Acquisition of certain fuel sources" for "Acquisition of petroleum and natural gas" in item 2404.

1997—Pub. L. 105-85, div. A, title VIII, §§801(b), 810(a)(2), 831(b), 847(b)(1), title X, §1014(b)(2), Nov. 18, 1997, 111 Stat. 1831, 1839, 1842, 1845, 1875, inserted "public utility services," after "tuition," in item 2396, struck out items 2403 "Major weapon systems: contractor guarantees" and 2405 "Limitation on adjustment of shipbuilding contracts", substituted "Severable service contracts for periods crossing fiscal years" for "Appropriated funds: availability for certain contracts for 12 months" in item 2410a, and added item 2410m.

1996—Pub. L. 104-106, div. A, title VIII, §§803(b), 807(a)(2), div. D, title XLIII, §4304(c)(1), Feb. 10, 1996, 110 Stat. 390, 392, 664, struck out items 2383 "Procurement of critical aircraft and ship spare parts: quality control", 2397 "Employees or former employees of defense contractors: reports", 2397a "Requirements relating to private employment contacts between certain Department of Defense procurement officials and defense contractors", 2397b "Certain former Department of Defense procurement officials: limitations on employment by contractors", and 2397c "Defense contractors: requirements concerning former Department of Defense officials" and substituted "Lease of vehicles, equipment, vessels, and aircraft" for "Lease of vessels, aircraft, and vehicles" in item 2401a.

1994—Pub. L. 103-355, title II, §§2102(b), 2201(b)(2), 2301(c), title III, §3065(a)(2), title VI, §6005(b)(2), Oct. 13, 1994, 108 Stat. 3309, 3318, 3321, 3337, 3365, added item 2401a, struck out items 2382 "Contract profit controls during emergency periods", 2406 "Availability of cost and pricing records", 2409a "Communicating with Government officials: defense contractor requirement to prohibit retaliatory personnel actions", and 2410e "Contract claims: certification regulations", and substituted in item 2410 "Requests for equitable adjustment or other relief: certification" for "Contract claims: certification".

Pub. L. 103-337, div. A, title III, §363(a)(2), Oct. 5, 1994, 108 Stat. 2734, added item 2410f.

1993—Pub. L. 103-160, div. A, title VIII, §828(a)(3), (c)(3), (4), Nov. 30, 1993, 107 Stat. 1713, 1714, substituted "Liquid fuels and natural gas: contracts for storage, handling, or distribution" for "Liquid fuels: contracts for storage, handling, and distribution" in item 2388, struck out item 2389 "Contracts for the procurement of milk: price adjustments; purchases from the Commodity Credit Corporation", and inserted "and natural gas" and "; acquisition by exchange; sales authority" in item 2404.

Pub. L. 103-35, title II, §202(a)(18)(B), May 31, 1993, 107 Stat. 102, made technical amendment to directory language of Pub. L. 102-484, §4470(a)(2). See 1992 Amendment note below.

Pub. L. 103-35, title II, §201(b)(1)(B), May 31, 1993, 107 Stat. 97, renumbered item 2410c relating to displaced contractor employees as item 2410j and item 2410d relating to defense contractors as item 2410k.

1992—Pub. L. 102-484, div. D, title XLIV, §4470(a)(2), Oct. 23, 1992, 106 Stat. 2753, as amended by Pub. L. 103-35, title II, §202(a)(18)(B), May 31, 1993, 107 Stat. 102, added item 2410d relating to defense contractors.

Pub. L. 102-484, div. D, title XLIV, §4443(b), Oct. 23, 1992, 106 Stat. 2735, 2753, added item 2410c relating to displaced contractor employees.

Pub. L. 102-484, div. A, title III, §384(a)(1)(B), title VIII, §§808(b)(2), 813(a)(2), 834(a)(2), 840(a)(2), 841(b), title XIII, §1332(b), Oct. 23, 1992, 106 Stat. 2393, 2450, 2453, 2461, 2467, 2468, 2555, added items 2410c to 2410i.

1990—Pub. L. 101-510, div. A, title VIII, §837(a)(2), title XIV, §1484(i)(8), Nov. 5, 1990, 104 Stat. 1619, 1718, struck out item 2407 "Acquisition of defense equipment under cooperative projects" and added item 2409a.

1989—Pub. L. 101-189, div. A, title VIII, §§802(a)(2), 803(b), title IX, §933(e), title XVI, §1622(b)(2), Nov. 29, 1989, 103 Stat. 1486, 1488, 1538, 1604, added items 2390, 2399, and 2400 and struck out item 2401a "Procurement of communications support and related supplies and services".

1988—Pub. L. 100-456, div. A, title VIII, §§805(a)(2), 834(a)(2), Sept. 29, 1988, 102 Stat. 2010, 2025, added items 2383 and 2410b.

Pub. L. 100-370, §§1(h)(3), 3(b)(2), July 19, 1988, 102 Stat. 848, 855, in item 2389 substituted "milk; price adjustments; purchases from the Commodity Credit Corporation" for "milk; price adjustment", struck out items 2399 "Limitation on availability of appropriations to reimburse a contractor for cost of commercial insurance", and 2400 "Miscellaneous procurement limitations", and added items 2410 and 2410a.

1987—Pub. L. 100-180, div. A, title I, §124(b)(2), Dec. 4, 1987, 101 Stat. 1043, substituted "Miscellaneous procurement limitations" for "Limitation on procurement of buses" in item 2400.

1986—Pub. L. 99-661, div. A, title XI, §1103(b)(2)(B), Nov. 14, 1986, 100 Stat. 3963, struck out "North Atlantic Treaty Organization" before "cooperative projects" in item 2407.

Pub. L. 99-500, §101(c) [title X, §§931(a)(2), 941(a)(2), 942(a)(2), 943(a)(2)], Oct. 18, 1986, 100 Stat. 1783-82, 1783-160, 1783-162, 1783-164, and Pub. L. 99-591, §101(c) [title X, §§931(a)(2), 941(a)(2), 942(a)(2), 943(a)(2)], Oct. 30, 1986, 100 Stat. 3341-82, 3341-160, 3341-162, 3341-164; Pub. L. 99-661, div. A, title IX, formerly title IV, §§931(a)(2), 941(a)(2), 942(a)(2), 943(a)(2), Nov. 14, 1986, 100 Stat. 3939, 3941-3943, 3963, renumbered title IX, Pub. L. 100-26, §3(5), Apr. 21, 1987, 101 Stat. 273, amended analysis identically, substituting "Availability of cost and pricing records" for "Cost and price management" in item 2406 and adding items 2397b, 2397c, 2408, and 2409.

1985—Pub. L. 99-145, title IX, §§917(b), 923(a)(2), title XI, §1102(b)(2), Nov. 8, 1985, 99 Stat. 690, 697, 712, added items 2397a, 2406, and 2407.

1984—Pub. L. 98-525, title X, §1005(b), title XII, §1235(1), (2), Oct. 19, 1984, 98 Stat. 2579, 2604, substituted in item 2384 "identification of supplier and sources" for "marking with name of contractor" and added items 2401a, 2384a, and 2402 to 2405.

1983—Pub. L. 98-94, title XII, §§1202(a)(2), 1259(b), Sept. 24, 1983, 97 Stat. 681, 703, struck out item 2390 "Suggestions for improving procurement policies", and added item 2401.

1982—Pub. L. 97-321, title VIII, §801(a)(2), Oct. 15, 1982, 96 Stat. 1570, added item 2394a.

Pub. L. 97-295, §1(29)(B), Oct. 12, 1982, 96 Stat. 1294, struck out item 2394 "Availability of appropriations for procurement of technical military equipment and supplies and the construction of military public works", added item 2395 "Availability of appropriations for procurement of technical military equipment and sup-

plies", redesignated former item 2395 as 2396, and added items 2397, 2398, 2399, and 2400.

Pub. L. 97-258, §2(b)(4)(A), Sept. 13, 1982, 96 Stat. 1052, added items 2394 and 2395.

Pub. L. 97-214, §6(a)(2), July 12, 1982, 96 Stat. 172, added item 2394.

1981—Pub. L. 97-86, title IX, §§911(a)(2), 912(a)(2), 913(a)(2), 914(b), Dec. 1, 1981, 95 Stat. 1122, 1123, 1125, substituted "Contract profit controls during emergency periods" for "Aircraft: contract requirements" in item 2382 and added items 2391, 2392, and 2393.

1980—Pub. L. 96-513, title V, §511(79), Dec. 12, 1980, 94 Stat. 2927, struck out item 2383 "Emergency purchases: war material abroad".

1977—Pub. L. 95-79, title VIII, §815(b), July 30, 1977, 91 Stat. 338, added item 2390.

1966—Pub. L. 89-696, §1(2), Oct. 19, 1966, 80 Stat. 1057, added item 2389.

1958—Pub. L. 85-861, §1(47), Sept. 2, 1958, 72 Stat. 1458, added items 2387 and 2388.

§ 2381. Contracts: regulations for bids

(a) The Secretary of Defense may—
 (1) prescribe regulations for the preparation, submission, and opening of bids for contracts; and

(2) require that a bid be accompanied by a written guaranty, signed by one or more responsible persons, undertaking that the bidder, if his bid is accepted, will, within the time prescribed by the Secretary or other officer authorized to make the contract, make a contract and furnish a bond with good and sufficient sureties for the performance of the contract.

(b) If a bidder, after being notified of the acceptance of his bid, fails within the time prescribed under subsection (a)(2) to enter into a contract and furnish the prescribed bond, the Secretary concerned or other authorized officer shall—

(1) contract with another person; and

(2) charge against the defaulting bidder and his guarantors the difference between the amount specified by the bidder in his bid and the amount for which a contract is made with the other person, this difference being immediately recoverable by the United States for the use of the military department concerned in an action against the bidder and his guarantors, jointly or severally.

(c) Proceedings under this section are subject to regulations under section 121 of title 40, unless exempted therefrom under section 501(a)(2) of title 40.

(Aug. 10, 1956, ch. 1041, 70A Stat. 136; Pub. L. 98-525, title XIV, §1405(35), Oct. 19, 1984, 98 Stat. 2624; Pub. L. 103-355, title I, §1507, Oct. 13, 1994, 108 Stat. 3298; Pub. L. 107-217, §3(b)(6), Aug. 21, 2002, 116 Stat. 1295.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
2381(a)	5:218 (1st sentence, less 1st 16 words; and 2d sentence).	Apr. 10, 1878, ch. 58, 20 Stat. 36; Mar. 3, 1883, ch. 120, 22 Stat. 487;
2381(b)	5:218 (less 1st and 2d sentences).	Oct. 31, 1951, ch. 654, §2(4), 65 Stat. 706.
2381(c)	5:218 (1st 16 words of 1st sentence) [applicability of 5:218 extended to Navy by 5:412b and 41:161 (1st sentence)].	Feb. 19, 1948, ch. 65, §12 (1st sentence), 62 Stat. 26.

In subsection (a)(1), the word “may” is substituted for the words “is authorized to”. The words “rules and * * * to be observed” are omitted as surplusage.

In subsection (a)(2), the word “undertaking” is substituted for the words “to the effect that he or they undertake”. The words “make a contract” are inserted for clarity. The words “in the premises” are omitted as surplusage. The words “for the performance of the contract” are substituted for the words “to furnish the supplies proposed or to perform the service required”.

In subsection (b), the word “duly” is omitted as surplusage. The words “with good and sufficient security for the proper fulfillment of its terms” are omitted as covered by subsection (a)(2). The words “the prescribed” are inserted before the word “bond”.

Subsection (b)(1) is substituted for the words “proceed to contract with some other person to furnish the supplies or perform the services required”.

In subsection (b)(2) the word “charge” is substituted for the words “forthwith cause * * * to be charged”. The words “a contract is made with the other person” are substituted for the words “he may have contracted with another party to furnish the supplies or perform the service for the whole period of the proposal”. The words “guarantor or” are omitted as surplusage. The words “this difference being” are substituted for the words “and the sum may be”. The words “of debt” are omitted, since that action no longer exists. The words “the bidder and his guarantors, jointly or severally” are substituted for the words “either or all of such persons”.

In subsection (c), the words “Proceedings under this section are” are inserted for clarity. The words “unless exempted therefrom under section 481(a) of that title” are inserted to preserve the possibility of exemption of proceedings under the revised section from the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

AMENDMENTS

2002—Subsec. (c). Pub. L. 107-217 substituted “section 121 of title 40” for “section 205 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 486)” and “section 501(a)(2) of title 40” for “section 201(a) of that Act (40 U.S.C. 481(a))”.

1994—Subsec. (a). Pub. L. 103-355 substituted “The Secretary of Defense may—

“(1) prescribe regulations for the preparation, submission, and opening of bids for contracts; and” for “The Secretary of a military department may—

“(1) prescribe regulations for the preparation, submission, and opening of bids for contracts with that department; and”.

1984—Subsec. (c). Pub. L. 98-525 substituted “section 205 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 486)” for “section 486 of title 40” and “section 201(a) of that Act (40 U.S.C. 481(a))” for “section 481(a) of this title”.

§ 2382. Consolidation of contract requirements: policy and restrictions

(a) **POLICY.**—The Secretary of Defense shall require the Secretary of each military department, the head of each Defense Agency, and the head of each Department of Defense Field Activity to ensure that the decisions made by that official regarding consolidation of contract requirements of the department, agency, or field activity, as the case may be, are made with a view to providing small business concerns with appropriate opportunities to participate in Department of Defense procurements as prime contractors and appropriate opportunities to participate in such procurements as subcontractors.

(b) **LIMITATION ON USE OF ACQUISITION STRATEGIES INVOLVING CONSOLIDATION.**—(1) Subject to

section 44(c)(4),¹ an official of a military department, Defense Agency, or Department of Defense Field Activity may not execute an acquisition strategy that includes a consolidation of contract requirements of the military department, agency, or activity with a total value in excess of \$5,000,000, unless the senior procurement executive concerned first—

(A) conducts market research;

(B) identifies any alternative contracting approaches that would involve a lesser degree of consolidation of contract requirements; and

(C) determines that the consolidation is necessary and justified.

(2) A senior procurement executive may determine that an acquisition strategy involving a consolidation of contract requirements is necessary and justified for the purposes of paragraph (1) if the benefits of the acquisition strategy substantially exceed the benefits of each of the possible alternative contracting approaches identified under subparagraph (B) of that paragraph. However, savings in administrative or personnel costs alone do not constitute, for such purposes, a sufficient justification for a consolidation of contract requirements in a procurement unless the total amount of the cost savings is expected to be substantial in relation to the total cost of the procurement.

(3) Benefits considered for the purposes of paragraphs (1) and (2) may include cost and, regardless of whether quantifiable in dollar amounts—

(A) quality;

(B) acquisition cycle;

(C) terms and conditions; and

(D) any other benefit.

(c) **DEFINITIONS.**—In this section:

(1) The terms “consolidation of contract requirements” and “consolidation”, with respect to contract requirements of a military department, Defense Agency, or Department of Defense Field Activity, mean a use of a solicitation to obtain offers for a single contract or a multiple award contract to satisfy two or more requirements of that department, agency, or activity for goods or services that have previously been provided to, or performed for, that department, agency, or activity under two or more separate contracts smaller in cost than the total cost of the contract for which the offers are solicited.

(2) The term “multiple award contract” means—

(A) a contract that is entered into by the Administrator of General Services under the multiple award schedule program referred to in section 2302(2)(C) of this title;

(B) a multiple award task order contract or delivery order contract that is entered into under the authority of sections 2304a through 2304d of this title or sections 303H through 303K¹ of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h through 253k); and

(C) any other indeterminate delivery, indeterminate quantity contract that is entered into by the head of a Federal agency with

¹ See References in Text note below.

two or more sources pursuant to the same solicitation.

(3) The term “senior procurement executive concerned” means—

(A) with respect to a military department, the official designated under section 16(c)¹ of the Office of Federal Procurement Policy Act (41 U.S.C. 414(c)) as the senior procurement executive for the military department; or

(B) with respect to a Defense Agency or a Department of Defense Field Activity, the official so designated for the Department of Defense.

(4) The term “small business concern” means a business concern that is determined by the Administrator of the Small Business Administration to be a small-business concern by application of the standards prescribed under section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

(Added Pub. L. 108-136, div. A, title VIII, § 801(a)(1), Nov. 24, 2003, 117 Stat. 1538; amended Pub. L. 109-364, div. A, title X, § 1071(a)(2), Oct. 17, 2006, 120 Stat. 2398; Pub. L. 111-240, title I, § 1313(b), Sept. 27, 2010, 124 Stat. 2539.)

REFERENCES IN TEXT

Section 44(c)(4), referred to in subsec. (b)(1), probably means section 2[44(c)(4)] of Pub. L. 85-536, as added by Pub. L. 111-240, title I, § 1313(a)(2), Sept. 27, 2010, 124 Stat. 2538, which is classified to section 657q(c)(4) of Title 15, Commerce and Trade.

Sections 303H through 303K of the Federal Property and Administrative Services Act of 1949, referred to in subsec. (c)(2)(B), means sections 303H to 303K of act June 30, 1949, ch. 288, which were classified to sections 253h to 253k, respectively, of former Title 41, Public Contracts, and were repealed and restated as sections 4103, 4105, 4106, and 4101, respectively, of Title 41, Public Contracts, by Pub. L. 111-350, §§ 3, 7(b), Jan. 4, 2011, 124 Stat. 3677, 3855. For disposition of sections of former Title 41, see Disposition Table preceding section 101 of Title 41.

Section 16(c) of the Office of Federal Procurement Policy Act, referred to in subsec. (c)(3)(A), means section 16(c) of Pub. L. 93-400, which was classified to section 414(c) of former Title 41, Public Contracts, and was repealed and restated as section 1702(c) of Title 41, Public Contracts, by Pub. L. 111-350, §§ 3, 7(b), Jan. 4, 2011, 124 Stat. 3677, 3855. For disposition of sections of former Title 41, see Disposition Table preceding section 101 of Title 41.

PRIOR PROVISIONS

A prior section 2382, acts Aug. 10, 1956, ch. 1041, 70A Stat. 136; Dec. 1, 1981, Pub. L. 97-86, title IX, § 911(a)(1), 95 Stat. 1120; Nov. 5, 1990, Pub. L. 101-510, div. A, title XIV, § 1484(b)(3), (f)(2), (g)(2), (h)(3), 104 Stat. 1716, 1717; Oct. 29, 1992, Pub. L. 102-572, title IX, § 902(b)(1), 106 Stat. 4516, authorized the President, upon declaration of war by Congress or declaration of national emergency by the President or by Congress, to prescribe regulations to control excessive profits on defense contracts during period of such war or national emergency, prior to repeal by Pub. L. 103-355, title II, § 2102(a), Oct. 13, 1994, 108 Stat. 3309.

AMENDMENTS

2010—Subsec. (b)(1). Pub. L. 111-240 substituted “Subject to section 44(c)(4), an official” for “An official” in introductory provisions.

2006—Subsec. (c)(3)(A). Pub. L. 109-364 substituted “section 16(c) of the Office of Federal Procurement Pol-

icy Act (41 U.S.C. 414(c))” for “section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3))”.

EFFECTIVE DATE

Pub. L. 108-136, div. A, title VIII, § 801(c), Nov. 24, 2003, 117 Stat. 1540, provided that: “This section [enacting this section and provisions set out as a note below] applies with respect to procurements for which solicitations are issued after the date occurring 180 days after the date of the enactment of this Act [Nov. 24, 2003].”

DATA REVIEW

Pub. L. 108-136, div. A, title VIII, § 801(b), Nov. 24, 2003, 117 Stat. 1540, provided that:

“(1) The Secretary of Defense shall revise the data collection systems of the Department of Defense to ensure that such systems are capable of identifying each procurement that involves a consolidation of contract requirements within the department with a total value in excess of \$5,000,000.

“(2) The Secretary shall ensure that appropriate officials of the Department of Defense periodically review the information collected pursuant to paragraph (1) in cooperation with the Small Business Administration—

“(A) to determine the extent of the consolidation of contract requirements in the Department of Defense; and

“(B) to assess the impact of the consolidation of contract requirements on the availability of opportunities for small business concerns to participate in Department of Defense procurements, both as prime contractors and as subcontractors.

“(3) In this subsection:

“(A) The term ‘consolidation of contract requirements’ has the meaning given that term in section 2382(c)(1) of title 10, United States Code, as added by subsection (a).

“(B) The term ‘small business concern’ means a business concern that is determined by the Administrator of the Small Business Administration to be a small-business concern by application of the standards prescribed under section 3(a) of the Small Business Act (15 U.S.C. 632(a)).”

§ 2383. Contractor performance of acquisition functions closely associated with inherently governmental functions

(a) LIMITATION.—The head of an agency may enter into a contract for the performance of acquisition functions closely associated with inherently governmental functions only if the contracting officer for the contract ensures that—

(1) appropriate military or civilian personnel of the Department of Defense cannot reasonably be made available to perform the functions;

(2) appropriate military or civilian personnel of the Department of Defense are—

(A) to supervise contractor performance of the contract; and

(B) to perform all inherently governmental functions associated with the functions to be performed under the contract; and

(3) the agency addresses any potential organizational conflict of interest of the contractor in the performance of the functions under the contract, consistent with subpart 9.5 of part 9 of the Federal Acquisition Regulation and the best interests of the Department of Defense.

(b) DEFINITIONS.—In this section:

(1) The term “head of an agency” has the meaning given such term in section 2302(1) of

this title, except that such term does not include the Secretary of Homeland Security or the Administrator of the National Oceanic and Atmospheric Administration.

(2) The term “inherently governmental functions” has the meaning given such term in subpart 7.5 of part 7 of the Federal Acquisition Regulation.

(3) The term “functions closely associated with inherently governmental functions” means the functions described in section 7.503(d) of the Federal Acquisition Regulation.

(4) The term “organizational conflict of interest” has the meaning given such term in subpart 9.5 of part 9 of the Federal Acquisition Regulation.

(Added Pub. L. 108-375, div. A, title VIII, § 804(a)(1), Oct. 28, 2004, 118 Stat. 2007.)

PRIOR PROVISIONS

A prior section 2383, added Pub. L. 100-456, div. A, title VIII, § 805(a)(1), Sept. 29, 1988, 102 Stat. 2010; amended Pub. L. 102-190, div. A, title X, § 1061(a)(13), Dec. 5, 1991, 105 Stat. 1473; Pub. L. 103-355, title II, § 2401, Oct. 13, 1994, 108 Stat. 3324, related to quality control in procurement of critical aircraft and ship spare or repair parts, prior to repeal by Pub. L. 104-106, div. A, title VIII, § 803(a), Feb. 10, 1996, 110 Stat. 390.

Another prior section 2383, act Aug. 10, 1956, ch. 1041, 70A Stat. 137, permitted Secretary of a military department to make emergency purchases of war material abroad, and provided that such material may be admitted free of duty, prior to repeal by Pub. L. 87-456, title III, § 303(c), May 24, 1962, 76 Stat. 78.

EFFECTIVE DATE

Pub. L. 108-375, div. A, title VIII, § 804(b), Oct. 28, 2004, 118 Stat. 2008, provided that: “Section 2383 of title 10, United States Code (as added by subsection (a)), shall apply to contracts entered into on or after the date of the enactment of this Act [Oct. 28, 2004].”

§ 2384. Supplies: identification of supplier and sources

(a) The Secretary of Defense shall require that the contractor under a contract with the Department of Defense for the furnishing of supplies to the United States shall mark or otherwise identify supplies furnished under the contract with the identity of the contractor, the national stock number for the supplies furnished (if there is such a number), and the contractor’s identification number for the supplies.

(b)(1) The Secretary of Defense shall prescribe regulations requiring that, whenever practicable, each contract requiring the delivery of supplies (other than a contract described in paragraph (2)) shall require that the contractor identify—

(A) the actual manufacturer or producer of the item or of all sources of supply of the contractor for that item;

(B) the national stock number of the item (if there is such a number) and the identification number of the actual manufacturer or producer of the item or of each source of supply of the contractor for the item; and

(C) the source of any technical data delivered under the contract.

(2) The regulations prescribed pursuant to paragraph (1) do not apply to a contract that requires the delivery of supplies that are commercial items (as defined in section 103 of title 41).

(3) The regulations prescribed pursuant to paragraph (1) do not apply to a contract for an amount not greater than the simplified acquisition threshold (as defined in section 134 of title 41).

(c) Identification of supplies and technical data under this section shall be made in the manner and with respect to the supplies prescribed by the Secretary of Defense.

(Aug. 10, 1956, ch. 1041, 70A Stat. 137; Pub. L. 98-525, title XII, § 1231(a), Oct. 19, 1984, 98 Stat. 2599; Pub. L. 99-500, § 101(c) [title X, § 928(a)], Oct. 18, 1986, 100 Stat. 1783-82, 1783-156, and Pub. L. 99-591, § 101(c) [title X, § 928(a)], Oct. 30, 1986, 100 Stat. 3341-82, 3341-156; Pub. L. 99-661, div. A, title IX, formerly title IV, § 928(a), Nov. 14, 1986, 100 Stat. 3936, renumbered title IX, Pub. L. 100-26, § 3(5), Apr. 21, 1987, 101 Stat. 273; Pub. L. 103-355, title IV, § 4102(d), title VIII, § 8105(b), Oct. 13, 1994, 108 Stat. 3340, 3392; Pub. L. 104-106, div. D, title XLIII, § 4321(b)(12), Feb. 10, 1996, 110 Stat. 672; Pub. L. 111-350, § 5(b)(23), Jan. 4, 2011, 124 Stat. 3844.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
2384	10:1207. 34:583.	R.S. 3731.

The words “Each contractor” are substituted for the words “Every person”. The word “his” is substituted for the words “the name of the contractor furnishing such supplies”. The words “of any kind” and “and distinguish [distinguished]” are omitted as surplusage. The word “may” is substituted for the word “shall”.

CODIFICATION

Pub. L. 99-591 is a corrected version of Pub. L. 99-500.

AMENDMENTS

2011—Subsec. (b)(2). Pub. L. 111-350, § 5(b)(23)(A), substituted “section 103 of title 41” for “section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12))”.

Subsec. (b)(3). Pub. L. 111-350, § 5(b)(23)(B), substituted “section 134 of title 41” for “section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11))”.

1996—Subsec. (b)(2). Pub. L. 104-106, § 4321(b)(12)(A), substituted “items (as” for “items, as” and inserted a closing parenthesis after “403(12))”.

Subsec. (b)(3). Pub. L. 104-106, § 4321(b)(12)(B), inserted a closing parenthesis after “403(11))”.

1994—Subsec. (b)(2). Pub. L. 103-355, § 8105(b), amended par. (2) generally. Prior to amendment, par. (2) read as follows: “Paragraph (1) does not apply to a contract that requires the delivery of supplies that are commercial items sold in substantial quantities to the general public if the contract—

“(A) provides for the acquisition of such supplies by the Department of Defense at established catalog or market prices; or

“(B) is awarded through the use of competitive procedures.”

Subsec. (b)(3). Pub. L. 103-355, § 4102(d), added par. (3).

1986—Subsec. (b). Pub. L. 99-500, Pub. L. 99-591, and Pub. L. 99-661, amended subsec. (b) identically, designating existing provision as par. (1), redesignating former pars. (1) to (3) as subpars. (A) to (C), respectively, and inserting in provision preceding subpar. (A) “(other than a contract described in paragraph (2))”, and adding par. (2).

1984—Pub. L. 98-525 amended section generally, substituting “identification of supplier and sources” for “marking with name of contractor” in section catch-

line, and, in text, substituting provisions designated subsec. (a) and relating to the marking of supplies, providing the national stock number for the supplies furnished, and the contractor's identification number for requirement that each contractor furnishing supplies to a military department mark the supplies with his name in the manner directed by the Secretary of the Department and prohibition of receipt of supplies unless so marked and adding subsecs. (b) and (c).

EFFECTIVE DATE OF 1996 AMENDMENT

For effective date and applicability of amendment by Pub. L. 104-106, see section 4401 of Pub. L. 104-106, set out as a note under section 2302 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 2302 of this title.

EFFECTIVE DATE OF 1986 AMENDMENT

Section 101(c) [title X, §928(b)] of Pub. L. 99-500 and Pub. L. 99-591, and section 928(b) of title IX, formerly title IV, of Pub. L. 99-661, renumbered title IX, Pub. L. 100-26, §3(5), Apr. 21, 1987, 101 Stat. 273, provided that: "The amendments made by subsection (a) [amending this section] shall apply with respect to contracts entered into after the end of the 180-day period beginning on the date of the enactment of this Act [Oct. 18, 1986]."

EFFECTIVE DATE OF 1984 AMENDMENT

Section 1231(b) of Pub. L. 98-525 provided that: "The amendment made by subsection (a) [amending this section] shall take effect at the end of the one-year period beginning on the date of the enactment of this Act [Oct. 19, 1984]."

§ 2384a. Supplies: economic order quantities

(a)(1) An agency referred to in section 2303(a) of this title shall procure supplies in such quantity as (A) will result in the total cost and unit cost most advantageous to the United States, where practicable, and (B) does not exceed the quantity reasonably expected to be required by the agency.

(2) The Secretary of Defense shall take paragraph (1) into account in approving rates of obligation of appropriations under section 2204 of this title.

(b) Each solicitation for a contract for supplies shall, if practicable, include a provision inviting each offeror responding to the solicitation to state an opinion on whether the quantity of the supplies proposed to be procured is economically advantageous to the United States and, if applicable, to recommend a quantity or quantities which would be more economically advantageous to the United States. Each such recommendation shall include a quotation of the total price and the unit price for supplies procured in each recommended quantity.

(Added Pub. L. 98-525, title XII, §1233(a), Oct. 19, 1984, 98 Stat. 2600.)

EFFECTIVE DATE

Section 1233(b) of Pub. L. 98-525 provided that: "The amendment made by subsection (a) [enacting this section] shall take effect at the end of the 180-day period beginning on the date of the enactment of this Act [Oct. 19, 1984]."

§ 2385. Arms and ammunition: immunity from taxation

No tax on the sale or transfer of firearms, pistols, revolvers, shells, or cartridges may be im-

posed on such articles when bought with funds appropriated for a military department.

(Aug. 10, 1956, ch. 1041, 70A Stat. 137.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
2385	5:171w.	Jan. 6, 1951, ch. 1213, subch. VII, §706, 64 Stat. 1236.

The words "No * * * may be" are substituted for the words "None * * * shall be subject to any". The words "by any Act" are omitted as surplusage.

§ 2386. Copyrights, patents, designs, etc.; acquisition

Funds appropriated for a military department available for making or procuring supplies may be used to acquire any of the following if the acquisition relates to supplies or processes produced or used by or for, or useful to, that department:

- (1) Copyrights, patents, and applications for patents.
- (2) Licenses under copyrights, patents, and applications for patents.
- (3) Design and process data, technical data, and computer software.
- (4) Releases for past infringement of patents or copyrights or for unauthorized use of technical data or computer software.

(Aug. 10, 1956, ch. 1041, 70A Stat. 137; Pub. L. 86-726, §3, Sept. 8, 1960, 74 Stat. 855; Pub. L. 103-355, title III, §3063, Oct. 13, 1994, 108 Stat. 3337; Pub. L. 104-106, div. A, title VIII, §813, Feb. 10, 1996, 110 Stat. 395.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
2386	31:649b.	Aug. 1, 1953, ch. 305, §609, 67 Stat. 350.

The words "equipment, and materials" are omitted as covered by the word "supplies". The word "hereafter" is omitted as executed. The words "may be used" are substituted for the words "shall * * * be available". The words "if the acquisition relates to" are substituted for 31:649b (1st 8 words of last sentence). In clauses (1), (2), and (4), the word "patents" is substituted for the words "letters patent".

AMENDMENTS

1996—Par. (3). Pub. L. 104-106 amended par. (3) generally, substituting "Design and process data, technical data, and computer software" for "Technical data and computer software".

1994—Pars. (3), (4). Pub. L. 103-355 added pars. (3) and (4) and struck out former pars. (3) and (4) which read as follows:

- "(3) Designs, processes, and manufacturing data.
- "(4) Releases, before suit is brought, for past infringement of patents or copyrights."

1960—Pub. L. 86-726 inserted "or copyrights" after "patents" in cl. (4).

§ 2387. Procurement of table and kitchen equipment for officers' quarters: limitation on

(a) Except under regulations approved by the Secretary of Defense and providing for uniform practices among the armed forces under his jurisdiction, no part of any appropriation of the

Department of Defense may be used to supply or replace table linen, dishes, glassware, silver, and kitchen utensils for use in the residences on shore, or quarters on shore, of officers of those armed forces.

(b) This section does not apply to—

- (1) field messes;
- (2) messes temporarily set up on shore for bachelor officers and officers attached to sea-going or district defense vessels;
- (3) aviation units based on seagoing vessels;
- (4) fleet air bases;
- (5) submarine bases; and
- (6) landing forces and expeditions.

(Added Pub. L. 85-861, §1(45), Sept. 2, 1958, 72 Stat. 1458.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
2387(a)	5:174e (less words within parentheses).	July 13, 1955, ch. 358, § 614, 69 Stat. 317.
2387(b)	5:174e (words within parentheses).	

In subsection (a), the words “may be used” are substituted for the words “shall be available”. The words “on account of” are omitted as surplusage. The words “under his jurisdiction” are inserted for clarity, since the Secretary of Defense has no jurisdiction over the Coast Guard when it is not operating as a service in the Navy.

[§ 2388. Renumbered § 2922]

§ 2389. Ensuring safety regarding insensitive munitions

The Secretary of Defense shall ensure, to the extent practicable, that insensitive munitions under development or procurement are safe throughout development and fielding when subject to unplanned stimuli.

(Added Pub. L. 107-107, div. A, title VIII, § 834(a)(1), Dec. 28, 2001, 115 Stat. 1191.)

PRIOR PROVISIONS

A prior section 2389, added Pub. L. 89-696, §1(1), Oct. 19, 1966, 80 Stat. 1056; amended Pub. L. 100-370, §1(h)(1), July 19, 1988, 102 Stat. 847, related to purchases from Commodity Credit Corporation and price adjustments for contracts for procurement of milk, prior to repeal by Pub. L. 103-160, div. A, title VIII, § 821(a)(4), Nov. 30, 1993, 107 Stat. 1704.

REPORT REQUIREMENT

Pub. L. 107-107, div. A, title VIII, § 834(b), Dec. 28, 2001, 115 Stat. 1191, directed the Secretary of Defense to submit to committees of Congress a report on insensitive munitions at the same time that the budgets for fiscal years 2003 through 2005 were submitted.

§ 2390. Prohibition on the sale of certain defense articles from the stocks of the Department of Defense

(a)(1) Except as provided in subsections (b) and (c), the sale outside the Department of Defense of any defense article designated or otherwise classified as Prepositioned Material Configured to Unit Sets, as decrement stock, or as Prepositioned War Reserve Stocks for United States Forces is prohibited.

(2) In this section, the term “decrement stock” means such stock as is needed to bring

the armed forces from a peacetime level of readiness to a combat level of readiness.

(b) The President may authorize the sale outside the Department of Defense of a defense article described in subsection (a) if—

(1) he determines that there is an international crisis affecting the national security of the United States and the sale of such article is in the best interests of the United States; and

(2) he reports to the Congress not later than 60 days after the transfer of such article a plan for the prompt replenishment of the stocks of such article and the planned budget request to begin implementation of that plan.

(c)(1) Nothing in this section shall preclude the sale of stocks which have been designated for replacement, substitution, or elimination or which have been designated for sale to provide funds to procure higher priority stocks.

(2) Nothing in this section shall preclude the transfer or sale of equipment to other members of the North Atlantic Treaty Organization.

(Added Pub. L. 95-485, title VIII, § 815(a), Oct. 20, 1978, 92 Stat. 1625, § 975; amended Pub. L. 100-26, § 7(k)(3), Apr. 21, 1987, 101 Stat. 284; renumbered § 2390, Pub. L. 101-189, div. A, title XVI, § 1622(b)(1), Nov. 29, 1989, 103 Stat. 1604.)

PRIOR PROVISIONS

A prior section 2390, added Pub. L. 95-79, title VIII, § 815(a), July 30, 1977, 91 Stat. 337; amended Pub. L. 96-470, title I, § 104(a), Oct. 19, 1980, 94 Stat. 2238; Pub. L. 96-513, title V, § 511(80), Dec. 12, 1980, 94 Stat. 2927, directed Secretary of Defense to request each commissioned officer, and each civilian employee above grade GS-12, who was scheduled for retirement and who was or had been at any time within one year prior to such scheduled retirement, assigned to, or employed in, military procurement to submit suggestions for methods to improve procurement policies, prior to repeal by Pub. L. 98-94, title XII, § 1259(a), Sept. 24, 1983, 97 Stat. 703.

AMENDMENTS

1989—Pub. L. 101-189 renumbered section 975 of this title as this section.

1987—Subsec. (a)(2). Pub. L. 100-26 inserted “the term” after “In this section,”.

§ 2391. Military base reuse studies and community planning assistance

(a) REUSE STUDIES.—Whenever the Secretary of Defense or the Secretary of the military department concerned publicly announces that a military installation is a candidate for closure or that a final decision has been made to close a military installation and the Secretary of Defense determines, because of the location, facilities, or other particular characteristics of the installation, that the installation may be suitable for some specific Federal, State, or local use potentially beneficial to the Nation, the Secretary of Defense may conduct such studies, including the preparation of an environmental impact statement in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), in connection with such installation and such potential use as may be necessary to provide information sufficient to make sound conclusions and recommendations regarding the possible use of the installation.

(b) ADJUSTMENT AND DIVERSIFICATION ASSISTANCE.—(1) The Secretary of Defense may make grants, conclude cooperative agreements, and supplement funds available under Federal programs administered by agencies other than the Department of Defense in order to assist State and local governments in planning community adjustments and economic diversification required (A) by the proposed or actual establishment, realignment, or closure of a military installation, (B) by the cancellation or termination of a Department of Defense contract or the failure to proceed with an approved major weapon system program, (C) by a publicly announced planned major reduction in Department of Defense spending that would directly and adversely affect a community, (D) by the encroachment of a civilian community on a military installation, or (E) by the closure or the significantly reduced operations of a defense facility as the result of the merger, acquisition, or consolidation of the defense contractor operating the defense facility, if the Secretary determines that an action described in clause (A), (B), (C), or (E) is likely to have a direct and significantly adverse consequence on the affected community or, in the case of an action described in clause (D), if the Secretary determines that the encroachment of the civilian community is likely to impair the continued operational utility of the military installation.

(2) In the case of the establishment or expansion of a military installation, assistance may be made under paragraph (1) only if (A) community impact assistance or special impact assistance is not otherwise available, and (B) the establishment or expansion involves the assignment to the installation of (i) more than 2,000 military, civilian, and contractor Department of Defense personnel, or (ii) more military, civilian, and contractor Department of Defense personnel than the number equal to 10 percent of the number of persons employed in counties or independent municipalities within fifteen miles of the installation, whichever is lesser.

(3) In the case of a publicly announced planned reduction in Department of Defense spending, the closure or realignment of a military installation, the cancellation or termination of a Department of Defense contract, or the failure to proceed with a previously approved major defense acquisition program, assistance may be made under paragraph (1) only if the reduction, closure or realignment, cancellation or termination, or failure will have a direct and significant adverse impact on a community or its residents.

(4)(A) In the case of a State or local government eligible for assistance under paragraph (1), the Secretary of Defense may also make grants, conclude cooperative agreements, and supplement other Federal funds in order to assist the State or local government to carry out a community adjustment and economic diversification program (including State industrial extension or modernization efforts to facilitate the economic diversification of defense contractors and subcontractors) in addition to planning such a program.

(B) The Secretary shall establish criteria for the selection of community adjustment and eco-

nomics diversification programs to receive assistance under subparagraph (A). Such criteria shall include a requirement that the State or local government agree—

(i) to provide not less than 10 percent of the funding for the program from non-Federal sources;

(ii) to provide business planning and market exploration services under the program to defense contractors and subcontractors that seek modernization or diversification assistance; and

(iii) to provide training, counseling, and placement services for members of the armed forces and dislocated defense workers.

(C) The Secretary shall carry out this paragraph in coordination with the Secretary of Commerce.

(5)(A) The Secretary of Defense may also make grants, conclude cooperative agreements, and supplement other Federal funds in order to assist a State or local government in planning community adjustments and economic diversification even though the State or local government is not currently eligible for assistance under paragraph (1) if the Secretary determines that a substantial portion of the economic activity or population of the geographic area to be subject to the advance planning is dependent on defense expenditures.

(B) The Secretary of Defense may also make grants, conclude cooperative agreements, and supplement other Federal funds in order to assist a State in enhancing its capacities—

(i) to assist communities, businesses, and workers adversely affected by an action described in paragraph (1);

(ii) to support local adjustment and diversification initiatives; and

(iii) to stimulate cooperation between statewide and local adjustment and diversification efforts.

(C) The Secretary of Defense may also make grants, conclude cooperative agreements, and supplement other Federal funds in order to assist a State or local government in enhancing the capabilities of the government to support efforts of the Department of Defense to privatize, contract for, or diversify the performance of military family support services in cases in which the capability of the Department to provide such services is adversely affected by an action described in paragraph (1).

(6) Funds provided to State and local governments and regional organizations under this section may be used as part or all of any required non-Federal contribution to a Federal grant-in-aid program for the purposes stated in paragraph (1).

(7) To the extent practicable, the Secretary of Defense shall inform a State or local government applying for assistance under this subsection of the approval or rejection by the Secretary of the application for such assistance as follows:

(A) Before the end of the 7-day period beginning on the date on which the Secretary receives the application, in the case of an application for a planning grant.

(B) Before the end of the 30-day period beginning on such date, in the case of an applica-

tion for assistance to carry out a community adjustments and economic diversifications program.

(8)(A) In attempting to complete consideration of applications within the time period specified in paragraph (7), the Secretary of Defense shall give priority to those applications requesting assistance for a community described in subsection (f)(1).

(B) If an application under paragraph (7) is rejected by the Secretary, the Secretary shall promptly inform the State or local government of the reasons for the rejection of the application.

(c) RESEARCH AND TECHNICAL ASSISTANCE.—The Secretary of Defense may make grants to, or conclude cooperative agreements or enter into contracts with, another Federal agency, a State or local government, or any private entity to conduct research and provide technical assistance in support of activities under this section or Executive Order 12788 (57 Fed. Reg. 2213), as amended by section 33 of Executive Order 13286 (68 Fed. Reg. 10625) and Executive Order 13378 (70 Fed. Reg. 28413).

(d) DEFINITIONS.—In this section:

(1) The terms “military installation” and “realignment” have the meanings given those terms in section 2687(e) of this title. For purposes of subsection (b)(1)(D), the term “military installation” includes a military facility owned and operated by any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, or the Virgin Islands, even though the facility is not under the jurisdiction of the Department of Defense, if the Secretary of Defense determines that the military facility is subject to significant use for training by the armed forces.

(2) The term “defense facility” means any private facility producing goods or services pursuant to a defense contract.

(3) The terms “community adjustment” and “economic diversification” include the development of feasibility studies and business plans for market diversification within a community adversely affected by an action described in clause (A), (B), (C), or (E) of subsection (b)(1) by adversely affected businesses and labor organizations located in the community.

(e) ASSISTANCE SUBJECT TO APPROPRIATIONS.—The authority of the Secretary of Defense to make grants under this section in any fiscal year is subject to the availability of appropriations for that purpose.

(Added Pub. L. 97–86, title IX, §912(a)(1), Dec. 1, 1981, 95 Stat. 1122; amended Pub. L. 98–115, title VIII, §808, Oct. 11, 1983, 97 Stat. 789; Pub. L. 100–26, §7(k)(3), Apr. 21, 1987, 101 Stat. 284; Pub. L. 100–456, div. B, title XXVIII, §2805, Sept. 29, 1988, 102 Stat. 2116; Pub. L. 101–510, div. D, title XLI, §4102(b), Nov. 5, 1990, 104 Stat. 1851; Pub. L. 102–25, title VII, §701(j)(3), Apr. 6, 1991, 105 Stat. 116; Pub. L. 102–484, div. A, title X, §1052(28), div. D, title XLIII, §4301(a)–(c), Oct. 23, 1992, 106 Stat. 2500, 2696, 2697; Pub. L. 103–35, title II, §202(a)(15), May 31, 1993, 107 Stat. 101; Pub. L. 103–160, div. B,

title XXIX, §2913, Nov. 30, 1993, 107 Stat. 1925; Pub. L. 103–337, div. A, title XI, §§1122(a), 1123(a), (b), Oct. 5, 1994, 108 Stat. 2870, 2871; Pub. L. 104–106, div. A, title XV, §1502(a)(1), Feb. 10, 1996, 110 Stat. 502; Pub. L. 104–201, div. B, title XXVIII, §2814, Sept. 23, 1996, 110 Stat. 2790; Pub. L. 105–85, div. B, title XXVIII, §2822, Nov. 18, 1997, 111 Stat. 1997; Pub. L. 106–65, div. A, title X, §1067(1), Oct. 5, 1999, 113 Stat. 774; Pub. L. 107–314, div. A, title X, §1041(a)(13), Dec. 2, 2002, 116 Stat. 2645; Pub. L. 109–163, div. B, title XXVIII, §2832, Jan. 6, 2006, 119 Stat. 3520; Pub. L. 109–364, div. B, title XXVIII, §§2861, 2862, Oct. 17, 2006, 120 Stat. 2498; Pub. L. 110–417, div. B, title XXVIII, §2823(b), Oct. 14, 2008, 122 Stat. 4730.)

REFERENCES IN TEXT

The National Environmental Policy Act of 1969, referred to in subsec. (a), is Pub. L. 91–190, Jan. 1, 1970, 83 Stat. 852, as amended, which is classified generally to chapter 55 (§4321 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 4321 of Title 42 and Tables.

Executive Order 12788, referred to in subsec. (c), is set out below.

AMENDMENTS

2008—Subsec. (d)(1). Pub. L. 110–417 inserted “the Commonwealth of the Northern Mariana Islands,” after “Guam.”

2006—Subsec. (b)(3). Pub. L. 109–163, §2832(a), substituted “realignment of a military installation” for “significantly reduced operations of a defense facility”, “closure or realignment, cancellation or” for “cancellation,” and “community or its residents.” for “community and will result in the loss of—

“(A) 2,500 or more employee positions, in the case of a Metropolitan Statistical Area or similar area (as defined by the Director of the Office of Management and Budget);

“(B) 1,000 or more employee positions, in the case of a labor market area outside of a Metropolitan Statistical Area; or

“(C) one percent of the total number of civilian jobs in that area.”

Subsec. (c). Pub. L. 109–364, §2861, added subsec. (c).

Subsec. (d)(1). Pub. L. 109–364, §2862, inserted at end “For purposes of subsection (b)(1)(D), the term ‘military installation’ includes a military facility owned and operated by any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, or the Virgin Islands, even though the facility is not under the jurisdiction of the Department of Defense, if the Secretary of Defense determines that the military facility is subject to significant use for training by the armed forces.”

Pub. L. 109–163, §2832(b), amended par. (1) generally. Prior to amendment, par. (1) read as follows: “The term ‘military installation’ means any camp, post, station, base, yard, or other installation under the jurisdiction of a military department that is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or Guam.”

2002—Subsec. (c). Pub. L. 107–314 struck out heading and text of subsec. (c). Text read as follows: “The Secretary of Defense shall submit a report not later than December 1 of each year to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives concerning the operation of this section during the preceding fiscal year. Each such report shall identify each State, unit of local government, and regional organization that received a grant under this section during such fiscal year and the total amount granted under this section during such year to each such State, unit of local government, and regional organization.”

1999—Subsec. (c). Pub. L. 106-65 substituted “and the Committee on Armed Services” for “and the Committee on National Security”.

1997—Subsec. (b)(5)(C). Pub. L. 105-85 added subpar. (C).

1996—Subsec. (b)(5). Pub. L. 104-201 designated existing provisions as subpar. (A) and added subpar. (B).

Subsec. (c). Pub. L. 104-106 substituted “Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives” for “Committees on Armed Services of the Senate and House of Representatives”.

1994—Subsec. (b)(5) to (7). Pub. L. 103-337, §1123(a), added par. (5) and redesignated former pars. (5) and (6) as (6) and (7), respectively. Former par. (7) redesignated (8).

Subsec. (b)(8). Pub. L. 103-337, §1123(a)(1), (b), redesignated par. (7) as (8) and substituted “paragraph (7)” for “paragraph (6)” in subpars. (A) and (B).

Subsec. (d)(3). Pub. L. 103-337, §1122(a), added par. (3).

1993—Subsec. (b)(1). Pub. L. 103-35 made technical amendment to directory language of Pub. L. 102-484, §4301(b)(1)(C). See 1992 Amendment note below.

Subsec. (b)(6), (7). Pub. L. 103-160 added pars. (6) and (7).

1992—Subsec. (a). Pub. L. 102-484, §4301(c)(1), inserted heading.

Subsec. (b). Pub. L. 102-484, §4301(c)(2), inserted heading.

Subsec. (b)(1). Pub. L. 102-484, §4301(b)(1), as amended by Pub. L. 103-35, substituted “(D)” for “(C)”, substituted “(C), or (E)” for “(C)”, and inserted cl. (E) before first reference to “if the Secretary”.

Pub. L. 102-484, §1052(28), substituted “publicly announced” for “publicly-announced”.

Subsec. (b)(3). Pub. L. 102-484, §4301(b)(2), inserted “the closure or significantly reduced operations of a defense facility,” after “Defense spending,” in introductory provisions.

Subsec. (b)(4), (5). Pub. L. 102-484, §4301(a)(1), (2), added par. (4) and redesignated former par. (4) as (5).

Subsec. (c). Pub. L. 102-484, §4301(c)(3), inserted heading.

Subsec. (d). Pub. L. 102-484, §4301(b)(3), amended subsec. (d) generally. Prior to amendment, subsec. (d) read as follows: “In this section, the term ‘military installation’ means any camp, post, station, base, yard, or other installation under the jurisdiction of a military department that is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or Guam.”

Subsec. (e). Pub. L. 102-484, §4301(c)(4), inserted heading.

1991—Subsec. (b)(3). Pub. L. 102-25 substituted “publicly announced” for “publicly-announced” and inserted a comma after “only if the reduction”.

1990—Subsec. (b)(3) to (6). Pub. L. 101-510 added par. (3), redesignated par. (5) as (4), and struck out former pars. (3), (4), and (6), which read as follows:

“(3) In the case of the cancellation or termination of a Department of Defense contract or the failure to proceed with an approved major weapon system program, assistance may be made under paragraph (1) only if the cancellation, termination, or failure to proceed involves the loss of 2,500 or more full-time Department of Defense and contractor employee positions in the locality of the affected community.

“(4) In the case of a publicly-announced planned major reduction in Department of Defense spending that will directly and adversely affect a community, assistance may be made under paragraph (1) only if the publicly-announced planned major reduction will result in the loss of 1,000 or more full-time Department of Defense and contractor employee positions over a five-year period in the locality of the affected community.

“(6) Not more than \$2,000,000 in assistance may be provided under this subsection in any fiscal year.”

1988—Subsec. (b)(1). Pub. L. 100-456, §2805(a), amended par. (1) generally. Prior to amendment, par. (1) read as follows: “The Secretary of Defense may make grants,

conclude cooperative agreements, and supplement funds made available under Federal programs administered by agencies other than the Department of Defense in order to assist State and local governments, and regional organizations composed of State and local governments, in planning community adjustments required (A) by the proposed or actual establishment, realignment, or closure of a military installation, or (B) by the cancellation or termination of a Department of Defense contract or the failure to proceed with an approved major weapon system program, if the Secretary of Defense determines that the action is likely to impose a significant impact on the affected community.”

Subsec. (b)(4) to (6). Pub. L. 100-456, §2805(b), added par. (4) and redesignated former pars. (4) and (5) as (5) and (6), respectively.

1987—Subsec. (d). Pub. L. 100-26 inserted “the term” after “In this section,”.

1983—Subsec. (b)(2). Pub. L. 98-115 substituted “2,000” for “2,500”.

EFFECTIVE DATE OF 1993 AMENDMENT

Amendment by Pub. L. 103-35 applicable as if included in the enactment of Pub. L. 102-484, see section 202(b) of Pub. L. 103-35, set out as a note under section 155 of this title.

EFFECTIVE DATE OF 1988 AMENDMENT

Section 2702 of title XXVII of div. B of Pub. L. 100-456 provided that: “Except as otherwise specifically provided, this division [amending this section and sections 2662, 2672, 2809, and 2828 of this title and enacting provisions set out as a note under this section] shall take effect on October 1, 1988, or the date of enactment of this Act [Sept. 29, 1988], whichever is later.”

EFFECTIVE DATE OF 1983 AMENDMENT

Section 808 of Pub. L. 98-115 provided that the amendment made by that section is effective Oct. 1, 1983.

ADVANCE ADJUSTMENT PLANNING

Section 4301(d) of Pub. L. 102-484 authorized Secretary of Defense, during fiscal year 1993, to make grants and other assistance available under 10 U.S.C. 2391(b) to assist a State or local government in planning community adjustments and economic diversification even though the State or local government currently failed to meet the criteria for assistance under such section if the Secretary determined that a substantial portion of the economic activity or population of the geographic area to be subjected to the adjustment or diversification planning was dependent on Department of Defense expenditures.

EFFECT OF 1992 AMENDMENTS ON EFFORTS OF ECONOMIC DEVELOPMENT ADMINISTRATION

Section 4301(f) of Pub. L. 102-484 provided that: “Nothing in this section [amending this section and enacting provisions set out as a note above] is intended to replace the efforts of the economic development program administered by the Economic Development Administration of the Department of Commerce.”

PILOT PROJECT TO IMPROVE ECONOMIC ADJUSTMENT PLANNING

Section 4302 of Pub. L. 102-484, as amended by Pub. L. 103-160, div. A, title XIII, §1323(a), Nov. 30, 1993, 107 Stat. 1790, authorized Secretary of Defense, during fiscal years 1993 and 1994, to conduct a pilot project to examine methods to improve the provision of economic adjustment and diversification assistance under 10 U.S.C. 2391(b)(1) to State and local governments adversely affected by the closure of military installations, the cancellation or completion of defense contracts, or reductions in defense spending.

DONATION OF REAL PROPERTY TO NONPROFIT ENTITIES PROVIDING SUPPORT TO CHILDREN WITH LIFE-THREATENING DISEASES

Pub. L. 102-172, title VIII, §8149, Nov. 26, 1991, 105 Stat. 1214, provided that:

“(a) The Secretary of Defense, during the current fiscal year or at any time thereafter, may make a donation to an entity described in subsection (b) of a parcel of real property (including structures on such property) under the jurisdiction of the Secretary that is not currently required for the needs of the Department and that the Secretary determines is needed and appropriate for the activities of that entity.

“(b) A donation under subsection (a) may be made to a nonprofit entity which provides medical, educational, and emotional support in a recreational setting to children with life-threatening diseases and their families.”

DEFENSE ECONOMIC ADJUSTMENT, DIVERSIFICATION,
CONVERSION, AND STABILIZATION

Pub. L. 101-510, div. D, Nov. 5, 1990, 104 Stat. 1848, as amended by Pub. L. 102-190, div. A, title X, §1062(c), Dec. 5, 1991, 105 Stat. 1475; Pub. L. 102-484, div. D, title XLII, §4212(b), Oct. 23, 1992, 106 Stat. 2664; Pub. L. 104-201, div. A, title VIII, §825, Sept. 23, 1996, 110 Stat. 2611; Pub. L. 105-277, div. A, §101(f) [title VIII, §405(d)(6)], Oct. 21, 1998, 112 Stat. 2681-337, 2681-419; Pub. L. 108-136, div. A, title IX, §932, Nov. 24, 2003, 117 Stat. 1581, provided that:

“SEC. 4001. SHORT TITLE

“This division may be cited as the ‘Defense Economic Adjustment, Diversification, Conversion, and Stabilization Act of 1990’.

“SEC. 4002. FINDINGS AND POLICY

“(a) FINDINGS.—Congress makes the following findings:

“(1) There are likely to be significant reductions in the programs, projects, and activities of the Department of Defense during the first several fiscal years following fiscal year 1990.

“(2) Such reductions will adversely affect the economies of many communities in the United States and small businesses and civilian workers throughout the United States.

“(b) POLICY.—In view of the findings expressed in subsection (a), it is the policy of the United States that—

“(1) assistance be provided under existing planning assistance programs and economic adjustment assistance programs of the Federal Government to substantially and seriously affected communities, businesses, and workers to the extent necessary to facilitate an orderly transition for such communities, small businesses, and workers from economic reliance on Department of Defense spending to economic reliance on other sources of business, employment, and revenue; and

“(2) funding for such programs be increased by amounts necessary to meet the needs of such communities, small businesses, and workers without reducing the funding that would otherwise be available under those programs by reason of causes unrelated to the reductions referred to in subsection (a)(1).

“SEC. 4003. DEFINITIONS

“For purposes of this division:

“(1) The term ‘major defense contract or subcontract’ means—

“(A) any defense contract in an amount not less than \$5,000,000 (without regard to the date on which the contract was awarded); and

“(B) any subcontract which—

“(i) is entered into in connection with a contract (without regard to the effective date of the subcontract); and

“(ii) involves not less than \$500,000.

“(2) The term ‘Economic Adjustment Committee’ or ‘Committee’ means the Economic Adjustment Committee established in Executive Order 12049 (10 U.S.C. 111 note).

“(3) The term ‘defense facility’ means any private or government facility producing goods or services pursuant to a defense contract.

“(4) The term ‘military installation’ means a base, camp, post, station, yard, center, or homeport facil-

ity for any ship in the United States, or any other facility under the jurisdiction of a military department located in the United States.

“(5) The term ‘substantially and seriously affected’ means—

“(A) when such term is used in conjunction with the term ‘community’, a community—

“(i) which has within its administrative and political jurisdiction one or more military installations or defense facilities or which is economically affected by proximity to a military installation or defense facility;

“(ii) in which the actual or threatened curtailment, completion, elimination, or realignment of a defense contract results in a workforce reduction of—

“(I) 2,500 or more employee positions, in the case of a Metropolitan Statistical Area or similar area (as defined by the Director of the Office of Management and Budget);

“(II) 1,000 or more employee positions, in the case of a labor market area outside of a Metropolitan Statistical Area; or

“(III) one percent of the total number of civilian jobs in that area; and

“(iii) which establishes, by evidence, that any workforce reduction referred to in clause (ii) occurred as a direct result of changes in Department of Defense requirements or programs;

“(B) when such term is used in conjunction with the term ‘businesses’ any business which—

“(i) holds a major defense contract or subcontract (or held such contract or subcontract before a reduction in the defense budget);

“(ii) experiences a reduction, or the threat of a reduction, of—

“(I) 25 percent or more in sales or production;

or

“(II) 80 percent or more of the workforce of such business in any division of such business or at any plant or other facility of such business; and

“(iii) establishes, by evidence, that the reductions referred to in clause (ii) occurred as a direct result of a reduction in the defense budget; and

“(C) when such term is used in conjunction with the term ‘group of workers’, any group of 100 or more workers at a defense facility who are (or who are threatened to be), eligible to participate in the defense conversion adjustment program under section 325 of the Job Training Partnership Act [29 U.S.C. 1662d] (as added by section 4202 of this division), as in effect on the day before the date of enactment of the Workforce Investment Act of 1998 [Aug. 7, 1998].

“SEC. 4004. CONTINUATION OF ECONOMIC ADJUSTMENT COMMITTEE

“(a) TERMINATION OR ALTERATION PROHIBITED.—The Economic Adjustment Committee established in Executive Order 12049 (10 U.S.C. 111 note) may not be terminated and the duties of the Committee may not be significantly altered unless specifically authorized by a law.

“(b) CHAIRMAN.—The Secretary of Defense shall be the chairman of the Committee.

“(c) EXECUTIVE COUNCIL.—Until October 1, 1997, the National Defense Technology and Industrial Base Council shall function as an Executive Council of the Committee. Under the direction of the chairman of the Committee, the Executive Council shall develop policies and procedures to ensure that communities, businesses, and workers substantially and seriously affected by reductions in defense expenditures are advised of the assistance available to such communities, businesses, and workers under programs administered by the departments and agency comprising the Council.

“(d) DUTIES OF COMMITTEE.—The Economic Adjustment Committee shall—

“(1) coordinate and facilitate cooperative efforts among Federal agencies represented on the Commit-

tee to implement defense economic adjustment programs;

“(2) serve as an information clearinghouse for and between Federal, State, and local entities regarding their defense economic adjustment efforts; and

“(3) submit to the President and Congress, not later than December 1, 1991, and each December 1 thereafter, a report that—

“(A) describes Federal economic adjustment programs available to communities, businesses, and groups of workers;

“(B) describes the implementation of defense economic adjustment assistance during the preceding fiscal year; and

“(C) specifies the number of communities, businesses, and workers affected by defense budget reductions during the preceding fiscal year and such number assisted by Federal economic adjustment programs during that fiscal year.

“TITLE XLI—ECONOMIC ADJUSTMENT PLANNING

“[SEC. 4101. Repealed. Pub. L. 104-201, div. A, title VIII, § 825, Sept. 23, 1996, 110 Stat. 2611.]

“SEC. 4102. ECONOMIC ADJUSTMENT PLANNING ASSISTANCE THROUGH THE DEPARTMENT OF DEFENSE

“(a) IN GENERAL.—Any substantially and seriously affected community shall be eligible for economic adjustment planning assistance through the Office of Economic Adjustment in the Department of Defense under subsection (b) of section 2391 of title 10, United States Code, subject to subsection (e) of such section. Such assistance shall be provided in accordance with the standards, procedures, and priorities established by the Committee under this division.

“(b) [Amended section 2391(b) of this title.]

“SEC. 4103. COMMUNITY ECONOMIC ADJUSTMENT ASSISTANCE THROUGH THE ECONOMIC DEVELOPMENT ADMINISTRATION

“(a) IN GENERAL.—A community that has been determined by the Economic Development Administration of the Department of Commerce or the Office of Economic Adjustment of the Department of Defense, in accordance with the standards and procedures established by the Economic Adjustment Committee, to be a substantially and seriously affected community shall be eligible for economic adjustment assistance authorized under title IX of the Public Works and Economic Development Act of 1965 [42 U.S.C. 3241 et seq.], subject to the availability of appropriations for such purpose and subject to meeting the eligibility requirements of such title.

“(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Defense for fiscal year 1991 \$50,000,000 for purposes of carrying out subsection (a). Any amount appropriated pursuant to this subsection shall remain available until expended.

“TITLE XLII—ADJUSTMENT ASSISTANCE FOR EMPLOYEES

“[SEC. 4201. Repealed. Pub. L. 104-201, div. A, title VIII, § 825, Sept. 23, 1996, 110 Stat. 2611.]

“SEC. 4202. DEFENSE CONVERSION ADJUSTMENT PROGRAM

“[Enacted section 1662d of Title 29, Labor.]

“SEC. 4203. AUTHORIZATION OF APPROPRIATIONS

“(a) AUTHORIZATION.—There are authorized to be appropriated to the Secretary of Defense \$150,000,000 for fiscal year 1991 to carry out section 4201 and the amendment made by section 4202. Amounts appropriated pursuant to this subsection shall remain available until expended.

“(b) ADMINISTRATIVE EXPENSES.—Of amounts appropriated pursuant to this section, not more than five percent may be retained by the Secretary of Labor for the administration of the activities authorized by the amendment made by section 4202.

“TITLE XLIII—EXPANSION OF BUSINESS CAPITAL ASSISTANCE PROGRAMS

“SEC. 4301. EXPANSION OF SMALL BUSINESS LOAN PROGRAM

“Not later than 180 days after the date of the enactment of this Act [Nov. 5, 1990], the President, acting with the assistance of the Committee and after consulting experts in government and the private sector, shall transmit to the Congress recommendations regarding ways that assistance provided pursuant to the business loan program under section 7(a) of the Small Business Act of 1958 [15 U.S.C. 636(a)] may be used to respond to the consequences of defense budget reductions.

“SEC. 4302. ECONOMIC PLANNING ASSISTANCE FOR EXCEPTIONAL PROJECTS

“(a) ASSISTANCE AUTHORIZED.—The Economic Development Administration, in the case of assistance under title IX of the Public Works and Economic Development Act of 1965 [42 U.S.C. 3241 et seq.], and the Office of Economic Adjustment, in the case of planning assistance under section 2391(b) of title 10, United States Code, may award planning assistance under those programs to any substantially and seriously affected community, on behalf of a business, group of businesses, or group of workers, if such planning funds are determined by the agency concerned to be necessary and appropriate as a catalyst for projects which the agency determines, on a case-by-case basis, have exceptional promise for achieving the objectives of this division.

“(b) CONDITIONS ON ASSISTANCE.—Awards under this section shall be subject to the availability of appropriations for such purpose and shall be made in accordance with any other applicable provisions of law.

“SEC. 4303. EXPANSION OF EXPORT FINANCING FOR GOODS AND SERVICES PRODUCED BY FIRMS AND EMPLOYEES FORMERLY ENGAGED IN DEFENSE PRODUCTION

“(a) EXPORT-IMPORT BANK.—

“(1) SENSE OF CONGRESS ON PLAN FOR EXPANSION.—It is the sense of Congress that the United States businesses undergoing transition from defense production to nondefense production will need assistance in seizing export markets overseas. Therefore, in order to provide financial support for such businesses, as well as meeting other normal demands on its resources, the annual direct lending authority of the Export-Import Bank of the United States should be increased by at least 150 percent from the fiscal year 1990 level over the five-year period beginning October 1, 1990.

“(2) REPORT OF FEASIBILITY.—Before September 30, 1990, the President, acting with the assistance of the Committee and after consulting the Board of Directors of the Export-Import Bank of the United States and other experts in government and the private sector, shall transmit to the Congress a report assessing the feasibility and desirability of a program for increasing the amount of direct loan authority in the manner described in paragraph (1) and the factors considered in making such assessment.

“(3) TRANSITION TO NONDEFENSE PRODUCTION REQUIRED TO BE CONSIDERED.—In determining whether to provide financial support for an export transaction, the Export-Import Bank of the United States shall take into account, to the extent feasible and in accordance with applicable standards and procedures established by the bank in consultation with the Committee, the fact that the product or service is produced or provided by any business or group of workers which—

“(A) was substantially and seriously affected by defense budget reductions; and

“(B) is in transition from defense to nondefense production.

“(b) SBA USE OF AUTHORITY FOR EXPORT FINANCING ASSISTANCE.—In determining whether to provide financial or other assistance under the Small Business Act [15 U.S.C. 631 et seq.], title VIII of the Omnibus Trade and Competitiveness Act of 1988 [Pub. L. 100-418, see

Short Title of 1988 Amendments note set out under section 631 of Title 15, Commerce and Trade], or any program referred to in section 4301 to any small business involved in, or attempting to become involved in, the export of any product or service, the Administrator of the Small Business Administration shall take into account the fact that such product or service is produced or provided by any business or group of workers which—

“(1) has been substantially and seriously affected by defense budget reductions; and

“(2) is in transition from defense to nondefense production.

“(c) COORDINATION AND INTEGRATION OF ACTIVITIES AND ASSISTANCE WITH OTHER AGENCIES.—In providing additional financial assistance pursuant to any increase in loan authority under this division—

“(1) Federal agencies concerned with international trade shall participate in the process of coordination conducted by the Committee pursuant to section 4004(c)(1); and

“(2) such Federal agencies shall attempt, to the maximum extent practicable, to coordinate and integrate the activities and assistance of the agencies in support of exports, including financial assistance in the form of direct loans, loan guarantees, and insurance, general trade promotion, marketing assistance, and marketing and commercial information, in a manner consistent with the purposes of this division (and the amendments made by this division to other provisions of law).

“(d) REPORTING.—The annual reports made by the Export-Import Bank of the United States and the Administrator of the Small Business Administration and the annual economic stabilization and adjustment report under section 4004(c)(3) of this division shall include a description of the extent to which the bank and the Administrator are—

“(1) providing financing described in subsections (a)(2) and (b), respectively, to businesses or groups of workers which were substantially and seriously affected by defense budget reductions; and

“(2) coordinating and integrating export support and financing activities with other Federal agencies.

“SEC. 4304. BENEFIT INFORMATION FOR BUSINESSES

“(a) INFORMATION REQUIRED TO BE PROVIDED.—The Secretary of Commerce and the Administrator of the Small Business Administration shall provide any business affected by defense budget reductions with a complete description of available programs which provide any business, whether on an industrywide or an individual basis, with any planning assistance, financial, technical, or managerial assistance, worker retraining assistance, or other assistance authorized under this division.

“(b) EFFECTIVE NOTIFICATION SYSTEM.—The Secretary of Commerce and the Administrator of the Small Business Administration shall take such action as may be appropriate to ensure, to the maximum extent practicable, that each business affected by defense budget reductions receives the information required to be provided under subsection (a) on a timely basis.”

COMMISSION ON ALTERNATIVE UTILIZATION OF MILITARY FACILITIES

Section 2819 of Pub. L. 100-456, as amended by Pub. L. 101-510, div. B, title XXIX, §2922(a), Nov. 5, 1990, 104 Stat. 1820, established Commission on Alternative Utilization of Military Facilities and required Commission to submit reports to President and Congress not later than Sept. 1 of every second year through fiscal year 1996, prior to repeal by Pub. L. 105-261, div. A, title X, §1031(b), Oct. 17, 1998, 112 Stat. 2123.

SUBMISSION DATE FOR FIRST REPORT

Section 912(c) of Pub. L. 97-86 required the first report under subsec. (c) of this section to be submitted not later than Dec. 1, 1982.

EX. ORD. NO. 12682. COMMISSION ON ALTERNATIVE UTILIZATION OF MILITARY FACILITIES

Ex. Ord. No. 12682, July 7, 1989, 54 F.R. 29315, provided: By the authority vested in me as President by the Constitution and laws of the United States of America, including section 2819 of the Military Construction Authorization Act, 1989 (Public Law 100-456) [10 U.S.C. 2391 note], it is hereby ordered as follows:

SECTION 1. (a) I hereby establish the Commission on Alternative Utilization of Military Facilities (“Commission”).

(b) The Commission shall consist of a representative of the Department of Defense designated by the Secretary of Defense, a representative of the Federal Bureau of Prisons designated by the Attorney General, a representative of the National Institute on Drug Abuse designated by the Secretary of Health and Human Services, a representative of the General Services Administration designated by the Administrator of General Services, a representative of the Department of Housing and Urban Development designated by the Secretary of Housing and Urban Development, and a representative of the Office of National Drug Control Policy designated by the Director of the Office of National Drug Control Policy. The representative of the Department of Defense shall chair the Commission.

(c) The Secretary of Defense shall provide such personnel and support to the Commission as the Secretary determines is necessary to accomplish its mission.

SEC. 2. (a) Subject to subsection (b), the Secretary of Defense shall prepare and submit to the Commission reports listing active and nonactive military facilities that are underutilized in whole or in part or otherwise excess to the needs of the Department of Defense.

(b) The first such report shall be prepared and submitted as soon as possible for inclusion in the first report of the Commission. The second report shall be prepared and submitted on January 30, 1990, and succeeding reports shall be prepared and submitted every other year commencing on January 30, 1992, and continuing until January 30, 1996.

SEC. 3. (a) Subject to subsection (b), the Commission shall submit a report to the President and then to the Congress that identifies those facilities, or parts of facilities, from the list submitted by the Secretary of Defense under Section 2 that could be effectively utilized or renovated to serve as:

(1) minimum security facilities for nonviolent prisoners,

(2) drug treatment facilities for nonviolent drug abusers, and

(3) facilities to assist the homeless.

(b) The first report of the Commission shall be submitted to the President and then to the Congress by September 1, 1989. The second, and succeeding reports of the Commission, shall be submitted to the President and then to the Congress no later than September 1, 1990, and every second year through September 1, 1996.

GEORGE BUSH.

EX. ORD. NO. 12788. DEFENSE ECONOMIC ADJUSTMENT PROGRAM

Ex. Ord. No. 12788, Jan. 15, 1992, 57 F.R. 2213, as amended by Ex. Ord. No. 13286, §33, Feb. 28, 2003, 68 F.R. 10625; Ex. Ord. No. 13378, May 12, 2005, 70 F.R. 28413, provided:

By the authority vested in me as President by the Constitution and the laws of the United States of America, including 10 U.S.C. 2391 and the Defense Economic Adjustment, Diversification, Conversion, and Stabilization Act of 1990, enacted as Division D, section 4001 *et seq.*, of the National Defense Authorization Act for Fiscal Year 1991, Public Law 101-510 [set out above], and to provide coordinated Federal economic adjustment assistance necessitated by changes in Department of Defense activities, it is hereby ordered as follows:

SECTION 1. *Function of the Secretary of Defense.* The Secretary of Defense shall, through the Economic Adjustment Committee, design and establish a Defense Economic Adjustment Program.

SEC. 2. *Purpose of the Defense Economic Adjustment Program.* The Defense Economic Adjustment Program shall (1) assist substantially and seriously affected communities, businesses, and workers from the effects of major Defense base closures, realignments, and Defense contract-related adjustments, and (2) assist State and local governments in preventing the encroachment of civilian communities from impairing the operational utility of military installations.

SEC. 3. *Functions of the Defense Economic Adjustment Program.* The Defense Economic Adjustment Program shall:

(a) Identify problems of States, regions, metropolitan areas, or communities that result from major Defense base closures, realignments, and Defense contract-related adjustments, and the encroachment of the civilian community on the mission of military installations and that require Federal assistance;

(b) Use and maintain a uniform socioeconomic impact analysis to justify the use of Federal economic adjustment resources, prior to particular realignments;

(c) Apply consistent policies, practices, and procedures in the administration of Federal programs that are used to assist Defense-affected States, regions, metropolitan areas, communities, and businesses;

(d) Identify and strengthen existing agency mechanisms to coordinate employment opportunities for displaced agency personnel;

(e) Identify and strengthen existing agency mechanisms to improve reemployment opportunities for displaced Defense industry personnel;

(f) Assure timely consultation and cooperation with Federal, State, regional, metropolitan, and community officials concerning Defense-related impacts on Defense-affected communities' problems;

(g) Assure coordinated interagency and intergovernmental adjustment assistance concerning Defense impact problems;

(h) Prepare, facilitate, and implement cost-effective strategies and action plans to coordinate interagency and intergovernmental economic adjustment efforts;

(i) Encourage effective Federal, State, regional, metropolitan, and community cooperation and concerted involvement of public interest groups and private sector organizations in Defense economic adjustment activities;

(j) Serve as a clearinghouse to exchange information among Federal, State, regional, metropolitan, and community officials involved in the resolution of community economic adjustment problems. Such information may include, for example, previous studies, technical information, and sources of public and private financing;

(k) Assist in the diversification of local economies to lessen dependence on Defense activities;

(l) Encourage and facilitate private sector interim use of lands and buildings to generate jobs as military activities diminish; [sic]

(m) Develop ways to streamline property disposal procedures to enable Defense-impacted communities to acquire base property to generate jobs as military activities diminish; and

(n) Encourage resolution of regulatory issues that impede encroachment prevention and local economic adjustment efforts.

SEC. 4. *Economic Adjustment Committee.*

(a) *Membership.* The Economic Adjustment Committee ("Committee") shall be composed of the following individuals, or a designated principal deputy of these individuals, and such other individuals from the executive branch as the President may designate. Such individuals shall include the:

- (1) Secretary of Agriculture;
- (2) Attorney General;
- (3) Secretary of Commerce;
- (4) Secretary of Defense;
- (5) Secretary of Education;
- (6) Secretary of Energy;
- (7) Secretary of Health and Human Services;
- (8) Secretary of Housing and Urban Development;

- (9) Secretary of the Interior;
- (10) Secretary of Labor;
- (11) Secretary of State;
- (12) Secretary of Transportation;
- (13) Secretary of the Treasury;
- (14) Secretary of Veterans Affairs;
- (15) Secretary of Homeland Security;
- (16) Chairman, Council of Economic Advisers;
- (17) Director of the Office of Management and Budget;
- (18) Director of the Office of Personnel Management;
- (19) Administrator of the Environmental Protection Agency;

- (20) Administrator of General Services;
- (21) Administrator of the Small Business Administration; and,
- (22) Postmaster General.

(b) *Chairman.* The Secretary of Defense, or the Secretary's designee, shall chair the Committee.

(c) *Vice Chairman.* The Secretaries of Labor and Commerce shall serve as Vice Chairmen of the Committee. The Vice Chairmen shall co-chair the Committee in the absence of both the Chairman and the Chairman's designee and may also preside over meetings of designated representatives of the concerned executive agencies.

(d) *Executive Director.* The head of the Department of Defense's Office of Economic Adjustment shall provide all necessary policy and administrative support for the Committee and shall be responsible for coordinating the application of the Defense Economic Adjustment Program to Department of Defense activities.

(e) *Duties.* The Committee shall:

(1) Advise, assist, and support the Defense Economic Adjustment Program;

(2) Develop procedures for ensuring that State, regional, and community officials and representatives of organized labor in those States, municipalities, localities, or labor organizations that are substantially and seriously affected by changes in Defense expenditures, realignments or closures, or cancellation or curtailment of major Defense contracts, are notified of available Federal economic adjustment programs; and,

(3) Report annually to the President and then to the Congress on the work of the Economic Adjustment Committee during the preceding fiscal year.

SEC. 5. *Responsibilities of Executive Agencies.*

(a) The head of each agency represented on the Committee shall designate an agency representative to:

(1) Serve as a liaison with the Secretary of Defense's economic adjustment staff;

(2) Coordinate agency support and participation in economic adjustment assistance projects; and,

(3) Assist in resolving Defense-related impacts on Defense-affected communities.

(b) All executive agencies shall:

(1) Support, to the extent permitted by law, the economic adjustment assistance activities of the Secretary of Defense. Such support may include the use and application of personnel, technical expertise, legal authorities, and available financial resources. This support may be used, to the extent permitted by law, to provide a coordinated Federal response to the needs of individual States, regions, municipalities, and communities adversely affected by necessary Defense changes;

(2) Afford priority consideration to requests from Defense-affected communities for Federal technical assistance, financial resources, excess or surplus property, or other requirements, that are part of a comprehensive plan used by the Committee.

SEC. 6. *Judicial Review.* This order shall not be interpreted to create any right or benefit, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, its agents, or any person.

SEC. 7. *Construction.* (a) Nothing in this order shall be construed as subjecting any function vested by law in, or assigned pursuant to law to, any agency or head thereof to the authority of any other agency or officer or as abrogating or restricting any such function in any manner.

(b) This order shall be effective immediately and shall supersede Executive Order No. 12049.

[Amendment by Ex. Ord. 13378 directing insertion of “and” after “diminish;” in section 3(m) of Ex. Ord. 12788, was executed by substituting “; and” for the comma after “diminish.”]

§ 2392. Prohibition on use of funds to relieve economic dislocations

(a) In order to help avoid the uneconomic use of Department of Defense funds in the procurement of goods and services, the Congress finds that it is necessary to prohibit the use of such funds for certain purposes.

(b) No funds appropriated to or for the use of the Department of Defense may be used to pay, in connection with any contract awarded by the Department of Defense, a price differential for the purpose of relieving economic dislocations.

(Added Pub. L. 97-86, title IX, §913(a)(1), Dec. 1, 1981, 95 Stat. 1123.)

CONTRACTS MADE BY DEFENSE LOGISTICS AGENCY; PAYMENTS OF PRICE DIFFERENTIALS TO RELIEVE ECONOMIC DISLOCATIONS; TEST PROGRAM; INTERIM REPORTS

Pub. L. 97-252, title XI, §1109, Sept. 8, 1982, 96 Stat. 746, as amended by Pub. L. 98-94, title XII, §1205, Sept. 24, 1983, 97 Stat. 683; Pub. L. 98-525, title XII, §1254, Oct. 19, 1984, 98 Stat. 2611, authorized the Secretary of Defense to conduct a test program during fiscal years 1983, 1984, and 1985 to test the effect of exempting certain contracts of the Department of Defense from the provisions of this section and paying a price differential under such contracts for the purpose of relieving economic dislocations, provided that the Secretary could exempt any contract (other than a contract for the purchase of fuel) made by the Defense Logistics Agency during fiscal years 1983, 1984, and 1985 if the contract was to be awarded to an individual or firm located in a Labor Surplus Area, and directed the President to submit a report to Congress not later than Apr. 15, 1983, Apr. 15, 1984, and Apr. 15, 1985, on the implementation and results to that date of the program. Similar provisions were contained in Pub. L. 97-86, title IX, §913(b), (c), Dec. 1, 1981, 95 Stat. 1124.

§ 2393. Prohibition against doing business with certain offerors or contractors

(a)(1) Except as provided in paragraph (2), the Secretary of a military department may not solicit an offer from, award a contract to, extend an existing contract with, or, when approval by the Secretary of the award of a subcontract is required, approve the award of a subcontract to, an offeror or contractor which to the Secretary's knowledge has been debarred or suspended by another Federal agency unless—

(A) in the case of debarment, the debarment of the offeror or contractor by all other agencies has been terminated or the period of time specified for such debarment has expired; and

(B) in the case of a suspension, the period of time specified by all other agencies for the suspension of the offeror or contractor has expired.

(2) Paragraph (1) does not apply in any case in which the Secretary concerned determines that there is a compelling reason to solicit an offer from, award a contract to, extend a contract with, or approve a subcontract with such offeror or contractor.

(b) Whenever the Secretary concerned makes a determination described in subsection (a)(2), he

shall, at the time of the determination, transmit a notice to the Administrator of General Services describing the determination. The Administrator of General Services shall maintain each such notice in a file available for public inspection.

(c) In this section:

(1) The term “debar” means to exclude, pursuant to established administrative procedures, from Government contracting and subcontracting for a specified period of time commensurate with the seriousness of the failure or offense or the inadequacy of performance.

(2) The term “suspend” means to disqualify, pursuant to established administrative procedures, from Government contracting and subcontracting for a temporary period of time because a concern or individual is suspected of engaging in criminal, fraudulent, or seriously improper conduct.

(3) The Secretary of Defense shall prescribe in regulations a requirement that each contractor under contract with the Department of Defense shall require each contractor to whom it awards a contract (in this section referred to as a subcontractor) to disclose to the contractor whether the subcontractor is or is not, as of the time of the award of the subcontract, debarred or suspended by the Federal Government from Government contracting or subcontracting. The requirement shall apply to any subcontractor whose subcontract is in an amount greater than the simplified acquisition threshold (as defined in section 134 of title 41). The requirement shall not apply in the case of a subcontract for the acquisition of commercial items (as defined in section 103 of title 41).

(Added Pub. L. 97-86, title IX, §914(a), Dec. 1, 1981, 95 Stat. 1124; amended Pub. L. 100-180, div. A, title XII, §1231(17), Dec. 4, 1987, 101 Stat. 1161; Pub. L. 101-510, div. A, title VIII, §813, Nov. 5, 1990, 104 Stat. 1596; Pub. L. 102-190, div. A, title X, §1061(a)(11), Dec. 5, 1991, 105 Stat. 1473; Pub. L. 103-355, title IV, §4102(e), title VIII, §8105(c), Oct. 13, 1994, 108 Stat. 3340, 3392; Pub. L. 111-350, §5(b)(24), Jan. 4, 2011, 124 Stat. 3844.)

AMENDMENTS

2011—Subsec. (d). Pub. L. 111-350 substituted “section 134 of title 41)” for “section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11))” and “section 103 of title 41)” for “section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12))”.

1994—Subsec. (d). Pub. L. 103-355 substituted “greater than the simplified acquisition threshold (as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11)))” for “above the small purchase amount established in section 2304(g) of this title.” in second sentence and inserted at end “The requirement shall not apply in the case of a subcontract for the acquisition of commercial items (as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12))).”

1991—Subsec. (d). Pub. L. 102-190 substituted “Federal Government” for “Federal government”.

1990—Subsec. (d). Pub. L. 101-510 added subsec. (d).

1987—Subsec. (c). Pub. L. 100-180 inserted “The term” after each par. designation and revised first word in quotes in each par. to make initial letter of such word lowercase.

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 2302 of this title.

[§ 2394. Renumbered § 2922a]

CODIFICATION

Another section 2394 was renumbered section 2395 of this title.

[§ 2394a. Renumbered § 2922b]

§ 2395. Availability of appropriations for procurement of technical military equipment and supplies

Funds appropriated to the Department of Defense for the procurement of technical military equipment and supplies remain available until spent.

(Added Pub. L. 97-258, §2(b)(4)(B), Sept. 13, 1982, 96 Stat. 1052, §2394; renumbered §2395 and amended Pub. L. 97-295, §1(28)(A), Oct. 12, 1982, 96 Stat. 1291.)

HISTORICAL AND REVISION NOTES
1982 ACT (PUB. L. 97-258)

Revised section	Source (U.S. Code)	Source (Statutes at Large)
2394	31:649c(1).	Aug. 10, 1956, ch. 1041, §40(1), 70A Stat. 636; Nov. 17, 1971, Pub. L. 92-156, §201(b), 85 Stat. 424.

The words “Unless otherwise provided in the appropriation Act concerned” are omitted as unnecessary and for consistency. The word “Funds” is substituted for “moneys” for consistency in title 10. The word “military” is added before “public” for clarity. The words “including moneys appropriated to the Department of the Navy for the procurement and construction of guided missiles” are omitted as included in “technical military equipment”.

1982 ACT (PUB. L. 97-295)

Revised section	Source (U.S. Code)	Source (Statutes at Large)
2395	10:2394.	Sept. 13, 1982, Pub. L. 97-258, §2(b)(4)(B), 96 Stat. 1053.

This redesignates 10:2394 (enacted by Pub. L. 97-258) as 10:2395 because of the enactment of another 10:2394 by Pub. L. 97-214, §6(a)(1), July 12, 1982, 96 Stat. 171, and amends the section generally to eliminate the words “and the construction of military public works” because of section 10(b)(5) of the Military Construction Codification Act (Pub. L. 97-214, July 12, 1982, 96 Stat. 176) which struck corresponding words from the source statute for 10:2394 subsequent to Apr. 15, 1982, the cut-off date prescribed by section 4(a) of Pub. L. 97-258, section 2(b)(4)(B) of which enacted 10:2394.

CODIFICATION

Another section 2395 was renumbered section 2396 of this title.

AMENDMENTS

1982—Pub. L. 97-295 struck out “and the construction of military public works” after “supplies”.

§ 2396. Advances for payments for compliance with foreign laws, rent in foreign countries, tuition, public utility services, and pay and supplies of armed forces of friendly foreign countries

(a) An advance under an appropriation to the Department of Defense may be made to pay for—

- (1) compliance with laws and ministerial regulations of a foreign country;
- (2) rent in a foreign country for periods of time determined by local custom;
- (3) tuition; and
- (4) public service utilities.

(b)(1) Under regulations prescribed by the Secretary of Defense, or by the Secretary of Homeland Security with respect to the Coast Guard when it is not operating as a service of the Navy, an officer of an armed force of the United States accountable for public money may advance amounts to a disbursing official of a friendly foreign country or members of an armed force of a friendly foreign country for—

- (A) pay and allowances to members of the armed force of that country; and
- (B) necessary supplies and services.

(2) An advance may be made under this subsection only if the President has made an agreement with the foreign country—

- (A) requiring reimbursement to the United States for amounts advanced;
- (B) requiring the appropriate authority of the country to advance amounts reciprocally to members of the armed forces of the United States; and
- (C) containing any other provision the President considers necessary to carry out this subsection and to safeguard the interests of the United States.

(Added Pub. L. 97-258, §2(b)(4)(B), Sept. 13, 1982, 96 Stat. 1053, §2395; renumbered §2396 and amended Pub. L. 97-295, §1(28)(B), Oct. 12, 1982, 96 Stat. 1291; Pub. L. 105-85, div. A, title X, §1014(a), (b)(1), Nov. 18, 1997, 111 Stat. 1875; Pub. L. 107-296, title XVII, §1704(b)(1), Nov. 25, 2002, 116 Stat. 2314.)

HISTORICAL AND REVISION NOTES
1982 ACT (PUB. L. 97-258)

Revised section	Source (U.S. Code)	Source (Statutes at Large)
2395(a)	31:529i.	July 13, 1955, ch. 358, §602, 69 Stat. 314.
2395(b)	31:529j.	Oct. 19, 1965, Pub. L. 89-265, 79 Stat. 969.

In subsection (a), the words “On and after July 13, 1955” are omitted as executed. The words “An advance” are substituted for “section 529 of this title shall not apply in the case of payments” because of the restatement.

In subsection (b), the words “armed force of the United States” are substituted for “Army, Navy, Air Force, Marine Corps, or Coast Guard” because of 10:101(4) and to avoid confusion with the phrase “armed force of a friendly foreign country”.

In subsection (b)(1), before clause (A), the words “the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy” are substituted for “the Secretary of the Treasury in their respective areas of responsibility” because of 14:3 and 49:1655(b)(1) and (2). The words “disbursing official” are substituted for “cashiers, disbursing officers” for consistency with other titles of the United States Code and to eliminate unnecessary words.

1982 ACT (PUB. L. 97-295)

Revised section	Source (U.S. Code)	Source (Statutes at Large)
2396	10:2395.	Sept. 13, 1982, Pub. L. 97-258, §2(b)(4)(B), 96 Stat. 1053.

This redesignates 10:2395 as 10:2396 because of the redesignation of 10:2394 (enacted by Pub. L. 97-258) as 10:2395, and substitutes “any other” for “another” in subsec. (b)(2)(C).

AMENDMENTS

2002—Subsec. (b)(1). Pub. L. 107-296 substituted “of Homeland Security” for “of Transportation” in introductory provisions.

1997—Pub. L. 105-85, §1014(b)(1), inserted “public utility services,” after “tuition,” in section catchline.

Subsec. (a)(4). Pub. L. 105-85, §1014(a), added par. (4).

1982—Subsec. (b)(2)(C). Pub. L. 97-295 substituted “any other” for “another”.

EFFECTIVE DATE OF 2002 AMENDMENT

Amendment by Pub. L. 107-296 effective on the date of transfer of the Coast Guard to the Department of Homeland Security, see section 1704(g) of Pub. L. 107-296, set out as a note under section 101 of this title.

[§§ 2397 to 2397c. Repealed. Pub. L. 104-106, div. D, title XLIII, § 4304(b)(1), Feb. 10, 1996, 110 Stat. 664]

Section 2397, added Pub. L. 97-295, §1(29)(A), Oct. 12, 1982, 96 Stat. 1291; amended Pub. L. 99-145, title IX, §922, Nov. 8, 1985, 99 Stat. 693; Pub. L. 100-26, §7(j)(5), (k)(2), Apr. 21, 1987, 101 Stat. 283, 284; Pub. L. 102-25, title VII, §701(d)(6), Apr. 6, 1991, 105 Stat. 114; Pub. L. 102-484, div. A, title X, §1052(29), Oct. 23, 1992, 106 Stat. 2500; Pub. L. 103-355, title IV, §4401(d), title VIII, §8105(d), Oct. 13, 1994, 108 Stat. 3348, 3392, related to filing of certain reports by employees or former employees of defense contractors.

Section 2397a, added Pub. L. 99-145, title IX, §923(a)(1), Nov. 8, 1985, 99 Stat. 695; amended Pub. L. 100-26, §7(k)(2), Apr. 21, 1987, 101 Stat. 284; Pub. L. 101-280, §10(b), May 4, 1990, 104 Stat. 162, related to requirements relating to private employment contacts between certain Department of Defense procurement officials and defense contractors.

Section 2397b, added Pub. L. 99-500, §101(c) [title X, §931(a)(1)], Oct. 18, 1986, 100 Stat. 1783-82, 1783-156, and Pub. L. 99-591, §101(c) [title X, §931(a)(1)], Oct. 30, 1986, 100 Stat. 3341-82, 3341-156; Pub. L. 99-661, div. A, title IX, formerly title IV, §931(a)(1), Nov. 14, 1986, 100 Stat. 3936, renumbered title IX, Pub. L. 100-26, §3(5), Apr. 21, 1987, 101 Stat. 273; amended Pub. L. 100-180, div. A, title VIII, §821, Dec. 4, 1987, 101 Stat. 1132; Pub. L. 103-355, title VIII, §8105(e), Oct. 13, 1994, 108 Stat. 3392, related to limitations on employment by contractors of certain former Department of Defense procurement officials.

Section 2397c, added Pub. L. 99-500, §101(c) [title X, §931(a)(1)], Oct. 18, 1986, 100 Stat. 1783-82, 1783-159, and Pub. L. 99-591, §101(c) [title X, §931(a)(1)], Oct. 30, 1986, 100 Stat. 3341-82, 3341-159; Pub. L. 99-661, div. A, title IX, formerly title IV, §931(a)(1), Nov. 14, 1986, 100 Stat. 3938, renumbered title IX, Pub. L. 100-26, §3(5), Apr. 21, 1987, 101 Stat. 273; amended Pub. L. 103-355, title VIII, §8105(f), Oct. 13, 1994, 108 Stat. 3392, related to requirements for defense contractors concerning former Department of Defense officials.

EFFECTIVE DATE OF REPEAL

For effective date and applicability of repeal, see section 4401 of Pub. L. 104-106, set out as an Effective Date of 1996 Amendment note under section 2302 of this title.

[§ 2398. Renumbered § 2922c]

[§ 2398a. Renumbered § 2922d]

§ 2399. Operational test and evaluation of defense acquisition programs

(a) **CONDITION FOR PROCEEDING BEYOND LOW-RATE INITIAL PRODUCTION.**—(1) The Secretary of Defense shall provide that a covered major de-

fense acquisition program or a covered designated major subprogram may not proceed beyond low-rate initial production until initial operational test and evaluation of the program or subprogram is completed.

(2) In this subsection:

(A) The term “covered major defense acquisition program” means a major defense acquisition program that involves the acquisition of a weapon system that is a major system within the meaning of that term in section 2302(5) of this title.

(B) The term “covered designated major subprogram” means a major subprogram designated under section 2430a(a)(1) of this title that is a major subprogram of a covered major defense acquisition program.

(b) **OPERATIONAL TEST AND EVALUATION.**—(1) Operational testing of a major defense acquisition program may not be conducted until the Director of Operational Test and Evaluation of the Department of Defense approves (in writing) the adequacy of the plans (including the projected level of funding) for operational test and evaluation to be conducted in connection with that program.

(2) The Director shall analyze the results of the operational test and evaluation conducted for each major defense acquisition program. At the conclusion of such testing, the Director shall prepare a report stating—

(A) the opinion of the Director as to—

(i) whether the test and evaluation performed were adequate; and

(ii) whether the results of such test and evaluation confirm that the items or components actually tested are effective and suitable for combat; and

(B) additional information on the operational capabilities of the items or components that the Director considers appropriate based on the testing conducted.

(3) The Director shall submit each report under paragraph (2) to the Secretary of Defense, the Under Secretary of Defense for Acquisition, Technology, and Logistics, and the congressional defense committees. Each such report shall be submitted to those committees in precisely the same form and with precisely the same content as the report originally was submitted to the Secretary and Under Secretary and shall be accompanied by such comments as the Secretary may wish to make on the report.

(4) A final decision within the Department of Defense to proceed with a major defense acquisition program beyond low-rate initial production may not be made until the Director has submitted to the Secretary of Defense the report with respect to that program under paragraph (2) and the congressional defense committees have received that report.

(5) If, before a final decision described in paragraph (4) is made for a major defense acquisition program, a decision is made within the Department of Defense to proceed to operational use of that program or to make procurement funds available for that program, the Director shall submit to the Secretary of Defense and the congressional defense committees the report with respect to that program under paragraph (2) as

soon as practicable after the decision described in this paragraph is made.

(6) In this subsection, the term “major defense acquisition program” has the meaning given that term in section 139(a)(2)(B) of this title.

(c) DETERMINATION OF QUANTITY OF ARTICLES REQUIRED FOR OPERATIONAL TESTING.—The quantity of articles of a new system that are to be procured for operational testing shall be determined by—

(1) the Director of Operational Test and Evaluation of the Department of Defense, in the case of a new system that is a major defense acquisition program (as defined in section 139(a)(2)(B) of this title); or

(2) the operational test and evaluation agency of the military department concerned, in the case of a new system that is not a major defense acquisition program.

(d) IMPARTIALITY OF CONTRACTOR TESTING PERSONNEL.—In the case of a major defense acquisition program (as defined in subsection (a)(2)), no person employed by the contractor for the system being tested may be involved in the conduct of the operational test and evaluation required under subsection (a). The limitation in the preceding sentence does not apply to the extent that the Secretary of Defense plans for persons employed by that contractor to be involved in the operation, maintenance, and support of the system being tested when the system is deployed in combat.

(e) IMPARTIAL CONTRACTED ADVISORY AND ASSISTANCE SERVICES.—(1) The Director may not contract with any person for advisory and assistance services with regard to the test and evaluation of a system if that person participated in (or is participating in) the development, production, or testing of such system for a military department or Defense Agency (or for another contractor of the Department of Defense).

(2) The Director may waive the limitation under paragraph (1) in any case if the Director determines in writing that sufficient steps have been taken to ensure the impartiality of the contractor in providing the services. The Inspector General of the Department of Defense shall review each such waiver and shall include in the Inspector General’s semi-annual report an assessment of those waivers made since the last such report.

(3)(A) A contractor that has participated in (or is participating in) the development, production, or testing of a system for a military department or Defense Agency (or for another contractor of the Department of Defense) may not be involved (in any way) in the establishment of criteria for data collection, performance assessment, or evaluation activities for the operational test and evaluation.

(B) The limitation in subparagraph (A) does not apply to a contractor that has participated in such development, production, or testing solely in testing for the Federal Government.

(f) SOURCE OF FUNDS FOR TESTING.—The costs for all tests required under subsection (a) shall be paid from funds available for the system being tested.

(g) DIRECTOR’S ANNUAL REPORT.—As part of the annual report of the Director under section

139 of this title, the Director shall describe for each program covered in the report the status of test and evaluation activities in comparison with the test and evaluation master plan for that program, as approved by the Director. The Director shall include in such annual report a description of each waiver granted under subsection (e)(2) since the last such report.

(h) OPERATIONAL TEST AND EVALUATION DEFINED.—In this section, the term “operational test and evaluation” has the meaning given that term in section 139(a)(2)(A) of this title. For purposes of subsection (a), that term does not include an operational assessment based exclusively on—

(1) computer modeling;

(2) simulation; or

(3) an analysis of system requirements, engineering proposals, design specifications, or any other information contained in program documents.

(Added Pub. L. 101-189, div. A, title VIII, § 802(a)(1), Nov. 29, 1989, 103 Stat. 1484; amended Pub. L. 102-484, div. A, title VIII, § 819, Oct. 23, 1992, 106 Stat. 2458; Pub. L. 103-160, div. A, title IX, § 904(d)(1), Nov. 30, 1993, 107 Stat. 1728; Pub. L. 103-337, div. A, title X, § 1070(a)(11), (f), Oct. 5, 1994, 108 Stat. 2856, 2859; Pub. L. 104-106, div. A, title XV, § 1502(a)(19), Feb. 10, 1996, 110 Stat. 504; Pub. L. 106-65, div. A, title X, § 1067(1), Oct. 5, 1999, 113 Stat. 774; Pub. L. 107-107, div. A, title X, § 1048(b)(2), Dec. 28, 2001, 115 Stat. 1225; Pub. L. 107-314, div. A, title X, § 1062(a)(9), Dec. 2, 2002, 116 Stat. 2650; Pub. L. 108-136, div. A, title X, § 1043(b)(14), Nov. 24, 2003, 117 Stat. 1611; Pub. L. 109-364, div. A, title II, § 231(a), Oct. 17, 2006, 120 Stat. 2131; Pub. L. 111-383, div. A, title VIII, § 814(d), Jan. 7, 2011, 124 Stat. 4267.)

PRIOR PROVISIONS

A prior section 2399, added Pub. L. 97-295, § 1(29)(A), Oct. 12, 1982, 96 Stat. 1293, which related to limitation on availability of appropriations to reimburse a contractor for the cost of commercial insurance, was repealed by Pub. L. 100-370, § 1(f)(2)(B), July 19, 1988, 102 Stat. 846, and was restated in section 2324(e)(1)(L) of this title by section 1(f)(2)(A) of Pub. L. 100-370.

AMENDMENTS

2011—Subsec. (a). Pub. L. 111-383 amended subsec. (a) generally. Prior to amendment, text read as follows:

“(1) The Secretary of Defense shall provide that a major defense acquisition program may not proceed beyond low-rate initial production until initial operational test and evaluation of the program is completed.

“(2) In this subsection, the term ‘major defense acquisition program’ means a conventional weapons system that—

“(A) is a major system within the meaning of that term in section 2302(5) of this title; and

“(B) is designed for use in combat.”

2006—Subsec. (b)(2). Pub. L. 109-364, § 231(a)(1), amended par. (2) generally. Prior to amendment, par. (2) read as follows: “The Director shall analyze the results of the operational test and evaluation conducted for each major defense acquisition program. At the conclusion of such testing, the Director shall prepare a report stating the opinion of the Director as to—

“(A) whether the test and evaluation performed were adequate; and

“(B) whether the results of such test and evaluation confirm that the items or components actually tested are effective and suitable for combat.”

Subsec. (b)(5), (6). Pub. L. 109-364, § 231(a)(2), (3), added par. (5) and redesignated former par. (5) as (6).

2003—Subsec. (h). Pub. L. 108-136 substituted “Operational Test and Evaluation Defined” for “Definitions” in heading, struck out introductory provisions which read “In this section:”, substituted “In this section, the term” for “(1) The term”, redesignated subpars. (A) to (C) of former par. (1) as pars. (1) to (3), respectively, realigned margins, and struck out former par. (2) which defined “congressional defense committees” to mean the Committees on Armed Services and Appropriations of the Senate and the House of Representatives.

2002—Subsec. (a)(2). Pub. L. 107-314 substituted “means a conventional weapons system that” for “means” in introductory provisions and struck out “a conventional weapons system that” before “is a major system” in subpar. (A).

2001—Subsec. (b)(3). Pub. L. 107-107 substituted “Under Secretary of Defense for Acquisition, Technology, and Logistics” for “Under Secretary of Defense for Acquisition and Technology”.

1999—Subsec. (h)(2)(B). Pub. L. 106-65 substituted “Committee on Armed Services” for “Committee on National Security”.

1996—Subsec. (h)(2). Pub. L. 104-106 substituted “means—” and subpars. (A) and (B) for “means the Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives.”

1994—Subsecs. (b)(5), (c)(1). Pub. L. 103-337, § 1070(a)(11)(A), substituted “139(a)(2)(B)” for “138(a)(2)(B)”.

Subsec. (e)(3)(B). Pub. L. 103-337, § 1070(f), substituted “solely in testing for” for “solely as a representative of”.

Subsec. (g). Pub. L. 103-337, § 1070(a)(11)(B), substituted “139” for “138”.

Subsec. (h)(1). Pub. L. 103-337, § 1070(a)(11)(C), substituted “139(a)(2)(A)” for “138(a)(2)(A)”.

1993—Subsec. (b)(3). Pub. L. 103-160 substituted “Under Secretary of Defense for Acquisition and Technology” for “Under Secretary of Defense for Acquisition”.

1992—Subsec. (e)(3). Pub. L. 102-484 designated existing provisions as subpar. (A) and added subpar. (B).

ASSESSMENT OF RISK IN CONCURRENT DEVELOPMENT OF MAJOR DEFENSE ACQUISITION SYSTEMS

Pub. L. 101-189, div. A, title VIII, § 801, Nov. 29, 1989, 103 Stat. 1483, provided that:

“(a) ESTABLISHMENT OF POLICY.—The Secretary of Defense shall establish guidelines for—

“(1) determining the degree of concurrency that is appropriate for the development of major defense acquisition systems; and

“(2) assessing the degree of risk associated with various degrees of concurrency.

“(b) REPORT ON GUIDELINES.—The Secretary shall submit to Congress a report that describes the guidelines established under subsection (a) and the method used for assessing risk associated with concurrency.

“(c) REPORT ON CONCURRENCY IN MAJOR ACQUISITION PROGRAMS.—(1) The Secretary shall also submit to Congress a report outlining the risk associated with concurrency for each major defense acquisition program that is in either full-scale development or low-rate initial production as of January 1, 1990.

“(2) The report shall include consideration of the following matters with respect to each such program:

“(A) The degree of confidence in the enemy threat assessment for establishing the system’s requirements.

“(B) The type of contract involved.

“(C) The degree of stability in program funding.

“(D) The level of maturity of technology involved in the system.

“(E) The availability of adequate test assets, including facilities and ranges.

“(F) The plans for transition from development to production.

“(d) SUBMISSION OF REPORTS.—The reports under subsections (b) and (c) shall be submitted to Congress not later than March 1, 1990.

“(e) DEFINITION.—For purposes of this section, the term ‘concurrency’ means the degree of overlap between the development and production processes of an acquisition program.”

§ 2400. Low-rate initial production of new systems

(a) DETERMINATION OF QUANTITIES TO BE PROCURED FOR LOW-RATE INITIAL PRODUCTION.—(1) In the course of the development of a major system, the determination of what quantity of articles of that system should be procured for low-rate initial production (including the quantity to be procured for preproduction verification articles) shall be made—

(A) when the milestone B decision with respect to that system is made; and

(B) by the official of the Department of Defense who makes that decision.

(2) In this section, the term “milestone B decision” means the decision to approve the system development and demonstration of a major system by the official of the Department of Defense designated to have the authority to make that decision.

(3) Any increase from a quantity determined under paragraph (1) may only be made with the approval of the official making the determination.

(4) The quantity of articles of a major system that may be procured for low-rate initial production may not be less than one operationally configured production unit unless another quantity is established at the milestone B decision.

(5) The Secretary of Defense shall include a statement of the quantity determined under paragraph (1) in the first SAR submitted with respect to the program concerned after that quantity is determined. If the quantity exceeds 10 percent of the total number of articles to be produced, as determined at the milestone B decision with respect to that system, the Secretary shall include in the statement the reasons for such quantity. For purposes of this paragraph, the term “SAR” means a Selected Acquisition Report submitted under section 2432 of this title.

(b) LOW-RATE INITIAL PRODUCTION OF WEAPON SYSTEMS.—Except as provided in subsection (c), low-rate initial production with respect to a new system is production of the system in the minimum quantity necessary—

(1) to provide production-configured or representative articles for operational tests pursuant to section 2399 of this title;

(2) to establish an initial production base for the system; and

(3) to permit an orderly increase in the production rate for the system sufficient to lead to full-rate production upon the successful completion of operational testing.

(c) LOW-RATE INITIAL PRODUCTION OF NAVAL VESSEL AND SATELLITE PROGRAMS.—With respect to naval vessel programs and military satellite programs, low-rate initial production is production of items at the minimum quantity and rate that (1) preserves the mobilization production base for that system, and (2) is feasible, as determined pursuant to regulations prescribed by the Secretary of Defense.

(Added Pub. L. 101-189, div. A, title VIII, § 803(a), Nov. 29, 1989, 103 Stat. 1487; amended Pub. L. 103-355, title III, § 3015, Oct. 13, 1994, 108 Stat. 3332; Pub. L. 104-106, div. A, title X, § 1062(d), div. D, title XLIII, § 4321(b)(13), Feb. 10, 1996, 110 Stat. 444, 673; Pub. L. 107-107, div. A, title VIII, § 821(c), Dec. 28, 2001, 115 Stat. 1182.)

PRIOR PROVISIONS

A prior section 2400 was renumbered section 2534 of this title.

AMENDMENTS

2001—Subsec. (a)(1)(A). Pub. L. 107-107, § 821(c)(1), substituted “milestone B” for “milestone II”.

Subsec. (a)(2). Pub. L. 107-107 substituted “milestone B” for “milestone II” and “system development and demonstration” for “engineering and manufacturing development”.

Subsec. (a)(4), (5). Pub. L. 107-107, § 821(c)(1), substituted “milestone B” for “milestone II”.

1996—Subsec. (a)(5). Pub. L. 104-106, § 4321(b)(13), substituted “this paragraph” for “the preceding sentence”.

Subsec. (c). Pub. L. 104-106, § 1062(d), struck out “(1)” before “With respect to”, redesignated subpars. (A) and (B) of former par. (1) as pars. (1) and (2), respectively, and struck out former par. (2) which read as follows: “For each naval vessel program and military satellite program, the Secretary of Defense shall submit to Congress a report providing—

“(A) an explanation of the rate and quantity prescribed for low-rate initial production and the considerations in establishing that rate and quantity;

“(B) a test and evaluation master plan for that program; and

“(C) an acquisition strategy for that program that has been approved by the Secretary, to include the procurement objectives in terms of total quantity of articles to be procured and annual production rates.”

1994—Subsec. (a)(2). Pub. L. 103-355, § 3015(1), substituted “this section” for “paragraph (1)” and “engineering and manufacturing development” for “full-scale engineering development”.

Subsec. (a)(4). Pub. L. 103-355, § 3015(2), (3), added par. (4) and redesignated former par. (4) as (5).

Subsec. (a)(5). Pub. L. 103-355, § 3015(2), redesignated par. (4) as (5) and inserted after first sentence “If the quantity exceeds 10 percent of the total number of articles to be produced, as determined at the milestone II decision with respect to that system, the Secretary shall include in the statement the reasons for such quantity.”

EFFECTIVE DATE OF 1996 AMENDMENT

For effective date and applicability of amendment by section 4321(b)(13) of Pub. L. 104-106, see section 4401 of Pub. L. 104-106, set out as a note under section 2302 of this title.

§ 2401. Requirement for authorization by law of certain contracts relating to vessels, aircraft, and combat vehicles

(a)(1) The Secretary of a military department may make a contract for the lease of a vessel, aircraft, or combat vehicle or for the provision of a service through use by a contractor of a vessel, aircraft, or combat vehicle only as provided in subsection (b) if—

(A) the contract will be a long-term lease or charter; or

(B) the terms of the contract provide for a substantial termination liability on the part of the United States.

(2) The Secretary of a military department may make a contract that is an agreement to

lease or charter or an agreement to provide services and that is (or will be) accompanied by a contract for the actual lease, charter, or provision of services only as provided in subsection (b) if the contract for the actual lease, charter, or provision of services is (or will be) a contract described in paragraph (1).

(b)(1) The Secretary may make a contract described in subsection (a)(1) if—

(A) the Secretary has been specifically authorized by law to make the contract;

(B) before a solicitation for proposals for the contract was issued the Secretary notified the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on Armed Services and the Committee on Appropriations of the House of Representatives of the Secretary’s intention to issue such a solicitation;

(C) the Secretary has notified those committees of the proposed contract and provided a detailed description of the terms of the proposed contract and a justification for entering into the proposed contract rather than providing for the lease, charter, or services involved through purchase of the vessel, aircraft, or combat vehicle to be used under the contract, and a period of 30 days of continuous session of Congress has expired following the date on which notice was received by such committees; and

(D) the Secretary has certified to those committees—

(i) that entering into the proposed contract as a means of obtaining the vessel, aircraft, or combat vehicle is the most cost-effective means of obtaining such vessel, aircraft, or combat vehicle; and

(ii) that the Secretary has determined that the lease complies with all applicable laws, Office of Management and Budget circulars, and Department of Defense regulations.

(2) For purposes of paragraph (1)(C), the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in a computation of such 30-day period.

(3) Upon receipt of a notice under paragraph (1)(C), a committee identified in paragraph (1)(B) may request the Inspector General of the Department of Defense or the Comptroller General of the United States to conduct a review of the proposed contract to determine whether or not such contract meets the requirements of this section.

(4) If a review is requested under paragraph (3), the Inspector General of the Department of Defense or the Comptroller General of the United States, as the case may be, shall submit to the Secretary and the congressional defense committees a report on such review before the expiration of the period specified in paragraph (1)(C).

(5) In the case of a contract described in subsection (a)(1)(B), the commander of the special operations command may make a contract without regard to this subsection if—

(A) funds are available and obligated for the full cost of the contract (including termination costs) on or before the date the contract is awarded;

(B) the Secretary of Defense submits to the congressional defense committees a certification that there is no alternative for meeting urgent operational requirements other than making the contract; and

(C) a period of 30 days of continuous session of Congress has expired following the date on which the certification was received by such committees.

(c)(1) Funds may not be appropriated for any fiscal year to or for any armed force or obligated or expended for—

(A) the long-term lease or charter of any aircraft, naval vessel, or combat vehicle; or

(B) for the lease or charter of any aircraft, naval vessel, or combat vehicle the terms of which provide for a substantial termination liability on the part of the United States,

unless funds for that purpose have been specifically authorized by law.

(2) Funds appropriated to the Department of Defense may not be used to indemnify any person under the terms of a contract entered into under this section—

(A) for any amount paid or due by any person to the United States for any liability arising under the Internal Revenue Code of 1986; or

(B) to pay any attorneys' fees in connection with such contract.

(d)(1)(A) In this section, the term "long-term lease or charter" (except as provided in subparagraph (B)) means a lease, charter, service contract, or conditional sale agreement—

(i) the term of which is for a period of five years or longer or more than one-half the useful life of the vessel, aircraft, or combat vehicle; or

(ii) the initial term of which is for a period of less than five years but which contains an option to renew or extend the agreement for a period which, when added to the initial term (or any previous renewal or extension), is five years or longer.

Such term includes the extension or renewal of a lease or charter agreement if the term of the extension or renewal thereof is for a period of five years or longer or if the term of the lease or charter agreement being extended or renewed was for a period of five years or longer.

(B) In the case of an agreement under which the lessor first places the property in service under the agreement or the property has been in service for less than one year and there is allowable to the lessor or charterer an investment tax credit or depreciation for the property leased, chartered, or otherwise provided under the agreement under section 168 of the Internal Revenue Code of 1986 (unless the lessor or charterer has elected depreciation on a straightline method for such property), the term "long-term lease or charter" means a lease, charter, service contract, or conditional sale agreement—

(i) the term of which is for a period of three years or longer; or

(ii) the initial term of which is for a period of less than three years but which contains an option to renew or extend the agreement for a period which, when added to the initial term (or any previous renewal or extension), is three years or longer.

Such term includes the extension or renewal of a lease or charter agreement if the term of the extension or renewal thereof is for a period of three years or longer or if the term of the lease or charter agreement being extended or renewed was for a period of three years or longer.

(2) For the purposes of this section, the United States shall be considered to have a substantial termination liability under a contract—

(A) if there is an agreement by the United States under the contract to pay an amount not less than the amount equal to 25 percent of the value of the vessel, aircraft, or combat vehicle under lease or charter, calculated on the basis of the present value of the termination liability of the United States under such charter or lease (as determined under regulations prescribed by the Secretary of Defense); or

(B) if (as determined under regulations prescribed by the Secretary of Defense) the sum of—

(i) the present value of the amount of the termination liability of the United States under the contract as of the end of the term of the contract (exclusive of any option to extend the contract); and

(ii) the present value of the total of the payments to be made by the United States under the contract (excluding any option to extend the contract) attributable to capital-hire,

is more than one-half the price of the vessel, aircraft, or combat vehicle involved.

(e)(1) Whenever a request is submitted to Congress for the authorization of the long-term lease or charter of aircraft, naval vessels, or combat vehicles or for the authorization of a lease or charter of aircraft, naval vessels, or combat vehicles which provides for a substantial termination liability on the part of the United States, the Secretary of Defense shall submit with that request an analysis of the cost to the United States (including lost tax revenues) of any such lease or charter arrangement compared with the cost to the United States of direct procurement of the aircraft, naval vessels, or combat vehicles by the United States.

(2) Any such analysis shall be reviewed and evaluated by the Director of the Office of Management and Budget and the Secretary of the Treasury within 30 days after the date on which the request and analysis are submitted to Congress. The Director and Secretary shall conduct such review and evaluation on the basis of the guidelines issued pursuant to subsection (f) and shall report to Congress in writing on the results of their review and evaluation at the earliest practicable date, but in no event more than 45 days after the date on which the request and analysis are submitted to the Congress.

(3) Whenever a request is submitted to Congress for the authorization of funds for the Department of Defense for the long-term lease or charter of aircraft, naval vessels, or combat vehicles authorized under this section, the Secretary of Defense—

(A) shall indicate in the request what portion of the requested funds is attributable to capital-hire; and

(B) shall reflect such portion in the appropriate procurement account in the request.

(f)(1) If a lease or charter covered by this section is a capital lease or a lease-purchase—

(A) the lease or charter shall be treated as an acquisition and shall be subject to all applicable statutory and regulatory requirements for the acquisition of aircraft, naval vessels, or combat vehicles; and

(B) funds appropriated to the Department of Defense for operation and maintenance may not be obligated or expended for the lease or charter.

(2) In this subsection, the terms “capital lease” and “lease-purchase” have the meanings given those terms in Appendix B to Office of Management and Budget Circular A-11, as in effect on January 6, 2006.

(g) The Director of the Office of Management and Budget and the Secretary of the Treasury shall jointly issue guidelines for determining under what circumstances the Department of Defense may use lease or charter arrangements for aircraft, naval vessels, and combat vehicles rather than directly procuring such aircraft, vessels, and combat vehicles.

(h) The Secretary of a military department may make a contract for the lease of a vessel or for the provision of a service through use by a contractor of a vessel, the term of which is for a period of greater than two years, but less than five years, only if—

(1) the Secretary has notified the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on Armed Services and the Committee on Appropriations of the House of Representatives of the proposed contract and included in such notification—

(A) a detailed description of the terms of the proposed contract and a justification for entering into the proposed contract rather than obtaining the capability provided for by the lease, charter, or services involved through purchase of the vessel;

(B) a determination that entering into the proposed contract as a means of obtaining the vessel is the most cost-effective means of obtaining such vessel; and

(C) a plan for meeting the requirement provided by the proposed contract upon completion of the term of the lease contract; and

(2) a period of 30 days of continuous session of Congress has expired following the date on which notice was received by such committees.

(Added Pub. L. 98-94, title XII, §1202(a)(1), Sept. 24, 1983, 97 Stat. 679; amended Pub. L. 98-525, title XII, §1232(a), Oct. 19, 1984, 98 Stat. 2600; Pub. L. 100-26, §7(h)(1), Apr. 21, 1987, 101 Stat. 282; Pub. L. 103-35, title II, §201(c)(6), May 31, 1993, 107 Stat. 98; Pub. L. 104-106, div. A, title XV, §§1502(a)(20), 1503(a)(21), Feb. 10, 1996, 110 Stat. 504, 512; Pub. L. 106-65, div. A, title X, §1067(1), Oct. 5, 1999, 113 Stat. 774; Pub. L. 106-398, §1 [div. A], title X, §1087(a)(13), Oct. 30, 2000, 114 Stat. 1654, 1654A-291; Pub. L. 109-163, div. A, title VIII, §815(a)-(d)(1), Jan. 6, 2006, 119 Stat. 3381, 3382; Pub. L. 110-181, div. A, title VIII,

§824, title X, §1011, Jan. 28, 2008, 122 Stat. 227, 303; Pub. L. 111-84, div. A, title X, §1073(a)(24), Oct. 28, 2009, 123 Stat. 2473.)

REFERENCES IN TEXT

The Internal Revenue Code of 1986, referred to in subssecs. (c)(2)(A) and (d)(1)(B), is classified generally to Title 26, Internal Revenue Code. Section 168 of the Internal Revenue Code of 1986 is classified to section 168 of Title 26.

AMENDMENTS

2009—Subsec. (f)(2). Pub. L. 111-84 substituted “January 6, 2006” for “the date of the enactment of the National Defense Authorization Act for Fiscal Year 2006”.

2008—Subsec. (b)(5). Pub. L. 110-181, §824, added par. (5).

Subsec. (h). Pub. L. 110-181, §1011, added subsec. (h).

2006—Pub. L. 109-163, §815(d)(1), substituted “Requirement for authorization by law of certain contracts relating to vessels, aircraft, and combat vehicles” for “Requirement for authorization by law of certain contracts relating to vessels and aircraft” in section catchline.

Subsec. (a)(1). Pub. L. 109-163, §815(a)(1), substituted “vessel, aircraft, or combat vehicle” for “vessel or aircraft” in two places in introductory provisions.

Subsec. (b)(1)(C). Pub. L. 109-163, §815(a)(1), substituted “vessel, aircraft, or combat vehicle” for “vessel or aircraft”.

Subsec. (b)(1)(D). Pub. L. 109-163, §815(b)(1), added subpar. (D).

Subsec. (b)(3), (4). Pub. L. 109-163, §815(b)(2), added pars. (3) and (4).

Subsec. (c)(1). Pub. L. 109-163, §815(a)(2), substituted “aircraft, naval vessel, or combat vehicle” for “aircraft or naval vessel” in subpars. (A) and (B).

Subsec. (d)(1)(A)(i), (2)(A), (B). Pub. L. 109-163, §815(a)(1), substituted “vessel, aircraft, or combat vehicle” for “vessel or aircraft”.

Subsec. (e)(1), (3). Pub. L. 109-163, §815(a)(3), substituted “aircraft, naval vessels, or combat vehicles” for “aircraft or naval vessels” wherever appearing.

Subsec. (f). Pub. L. 109-163, §815(c)(2), added subsec. (f). Former subsec. (f) redesignated (g).

Pub. L. 109-163, §815(a)(4), substituted “aircraft, naval vessels, and combat vehicles” for “aircraft and naval vessels” and “such aircraft, vessels, and combat vehicles” for “such aircraft and vessels”.

Subsec. (g). Pub. L. 109-163, §815(c)(1), redesignated subsec. (f) as (g).

2000—Subsec. (b)(1)(B). Pub. L. 106-398 substituted “Committee on Appropriations of the House” for “Committees on Appropriations of the House”.

1999—Subsec. (b)(1)(B). Pub. L. 106-65 substituted “and the Committee on Armed Services” for “and the Committee on National Security”.

1996—Subsec. (b)(1)(B). Pub. L. 104-106, §1502(a)(20)(A), substituted “the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committees on Appropriations of the” for “the Committees on Armed Services and on Appropriations of the Senate and”.

Subsec. (b)(1)(C). Pub. L. 104-106, §1502(a)(20)(B), substituted “those committees” for “the Committees on Armed Services and on Appropriations of the Senate and House of Representatives”.

Subsec. (c)(2). Pub. L. 104-106, §1503(a)(21), struck out “pursuant to an authorization contained in the Department of Defense Authorization Act, 1984 (Public Law 98-94), or in any other law enacted after September 24, 1983,” before “may not be used”.

1993—Subsec. (c)(2)(A). Pub. L. 103-35 substituted “Internal Revenue Code of 1986” for “Internal Revenue Code of 1954”.

1987—Subsec. (d)(1)(B). Pub. L. 100-26 substituted “Internal Revenue Code of 1986” for “Internal Revenue Code of 1954”.

1984—Subsec. (c). Pub. L. 98-525, §1232(a)(1), designated existing provisions as par. (1), redesignated as cls. (A) and (B) former cls. (1) and (2), respectively, and added par. (2).

Subsec. (f). Pub. L. 98-525, §1232(a)(2), struck out at end “Such guidelines shall be issued not later than 90 days after the date of enactment of this section [Sept. 24, 1983].”

EFFECTIVE DATE

Section 1202(a)(3) of Pub. L. 98-94 provided that: “Section 2401 of title 10, United States Code, as added by paragraph (1), shall not apply in the case of any lease or charter agreement entered into by the Department of Defense before December 1, 1983.”

RIDING GANG MEMBER REQUIREMENTS

Pub. L. 109-364, div. A, title X, §1018, Oct. 17, 2006, 120 Stat. 2380, as amended by Pub. L. 110-417, div. C, title XXXV, §3504, Oct. 14, 2008, 122 Stat. 4762, provided that:

“(a) IN GENERAL.—The Secretary of Defense may not award, renew, extend, or exercise an option to extend any charter of a vessel documented under chapter 121 of title 46, United States Code, for the Department of Defense, or any contract for the carriage of cargo by a vessel documented under that chapter for the Department of Defense, unless the charter or contract, respectively, includes provisions that—

“(1) subject to paragraph (2), allow riding gang members to perform work on the vessel during the effective period of the charter or contract only under terms, conditions, restrictions, and requirements as provided in section 8106 of title 46, United States Code; and

“(2) require that riding gang members hold a merchant mariner’s document issued under chapter 73 of title 46, United States Code, or a transportation security card issued under section 70105 of such title.

“(b) EXEMPTION.—

“(1) IN GENERAL.—In accordance with regulations issued by the Secretary of Defense, an individual shall not be treated as a riding gang member for the purposes of section 8106 of title 46, United States Code, and this section if—

“(A) the individual is aboard a vessel that is under charter or contract for the carriage of cargo for the Department of Defense, for purposes other than engaging in the operation or maintenance of the vessel; and

“(B) the individual—

“(i) accompanies, supervises, guards, or maintains unit equipment aboard a ship, commonly referred to as supercargo personnel;

“(ii) is one of the force protection personnel of the vessel;

“(iii) is a specialized repair technician; or

“(iv) is otherwise required by the Secretary of Defense to be aboard the vessel.

“(2) BACKGROUND CHECK.—

“(A) IN GENERAL.—This section shall not apply to an individual unless—

“(i) the name and other necessary identifying information for the individual is submitted to the Secretary for a background check; and

“(ii) except as provided in subparagraph (B), the individual successfully passes a background check by the Secretary prior to going aboard the vessel.

“(B) WAIVER.—The Secretary may waive the application of subparagraph (A)(ii) for an individual who holds a merchant mariner’s document issued under chapter 73 of title 46, United States Code, or a transportation security card issued under section 70105 of such title.

“(3) EXEMPTED INDIVIDUAL NOT TREATED AS IN ADDITION TO THE CREW.—An individual who, under paragraph (1), is not treated as a riding gang member shall not be counted as an individual in addition to

the crew for the purposes of section 3304 of title 46, United States Code.”

LONG-TERM LEASE OR CHARTER AUTHORITY FOR CERTAIN DOUBLE-HULL TANKERS AND OCEANOGRAPHIC VESSELS

Pub. L. 103-160, div. A, title I, §126, Nov. 30, 1993, 107 Stat. 1567, as amended by Pub. L. 104-106, div. D, title XLIII, §4321(i)(1)(A), Feb. 10, 1996, 110 Stat. 676, provided that:

“(a) AUTHORITY.—The Secretary of the Navy may enter into a long-term lease or charter for any double-hull tanker or oceanographic vessel constructed in a United States shipyard after the date of the enactment of this Act [Nov. 30, 1993] using assistance provided under the National Shipbuilding Initiative.

“(b) CONDITIONS ON OBLIGATION OF FUNDS.—Unless budget authority is specifically provided in an appropriations Act for the lease or charter of vessels pursuant to subsection (a), the Secretary may not enter into a contract for a lease or charter pursuant to that subsection unless the contract includes the following provisions:

“(1) A statement that the obligation of the United States to make payments under the contract in any fiscal year is subject to appropriations being provided specifically for that fiscal year and specifically for that lease or charter or that kind of vessel lease or charter.

“(2) A commitment to obligate the necessary amount for each fiscal year covered by the contract when and to the extent that funds are appropriated for that lease or charter, or that kind of lease or charter, for that fiscal year.

“(3) A statement that such a commitment given under paragraph (2) does not constitute an obligation of the United States.

“(c) INAPPLICABILITY OF CERTAIN LAWS.—A long-term lease or charter authorized by subsection (a) may be entered into without regard to the provisions of section 2401 or 2401a of title 10, United States Code.

“(d) DEFINITION.—For purposes of subsection (a), the term ‘long-term lease or charter’ has the meaning given that term in subparagraph (A) of section 2401(d)(1) of title 10, United States Code.”

LIMITATION ON USE OF FUNDS FOR CONTRACTS FOR LEASE OR CHARTER OF ANY VESSEL, AIRCRAFT, OR VEHICLES

Pub. L. 101-165, title IX, §9081, Nov. 21, 1989, 103 Stat. 1147, directed that no funds available to Department of Defense could be used to enter into any contract with term of eighteen months or more or to extend or renew any contract for term of eighteen months or more, for any vessel, aircraft, or vehicle, through lease, charter, or similar agreement without previously having been submitted to Committees on Appropriations, with further requirement with respect to contractual agreements which imposed certain termination liability on Government, prior to repeal by Pub. L. 103-355, title III, §3065(b), Oct. 13, 1994, 108 Stat. 3337. See section 2401a of this title.

ISSUANCE OF GUIDELINES

Section 1232(a)(2) of Pub. L. 98-525 provided in part that guidelines required to be issued under subsec. (f) of this section shall be issued not later than Oct. 31, 1984.

LIMITATION ON FUNDS AVAILABLE TO DEPARTMENT OF DEFENSE TO ENTER INTO CONTRACTS DURING FISCAL YEAR 1984

Section 1202(d) of Pub. L. 98-94 provided that: “Funds available to the Department of Defense may not be used to enter into any contract during fiscal year 1984 under section 2401 of title 10, United States Code, as added by subsection (a), the term of which is for 3 years or more, inclusive of any option for contract extension or renewal, for any vessels, aircraft, or vehicles, through a lease, charter, or similar agreement, that

imposes an estimated termination liability (excluding the estimated value of the leased item at the time of termination) on the United States exceeding 50 percent of the original purchase value of the vessel, aircraft, or vehicle involved for which the Congress has not specifically provided budget authority for the obligation of 10 percent of such termination liability.”

LIMITATION ON USE OF FUNDS APPROPRIATED PURSUANT TO AUTHORIZATIONS CONTAINED IN DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1984

Section 1202(b) of Pub. L. 98-94, as amended by Pub. L. 99-514, § 2, Oct. 22, 1986, 100 Stat. 2095, provided that: “Funds appropriated pursuant to an authorization contained in this Act may not be used to indemnify any person under the terms of a contract entered into with the United States under section 2401 of title 10, United States Code (as added by subsection (a))—

“(1) for any amount paid or due by any person to the United States for any liability arising under the Internal Revenue Code of 1986 [Title 26, Internal Revenue Code]; or

“(2) to pay any attorneys’ fees in connection with such contract.”

§ 2401a. Lease of vehicles, equipment, vessels, and aircraft

(a) LEASING OF COMMERCIAL VEHICLES AND EQUIPMENT.—The Secretary of Defense may use leasing in the acquisition of commercial vehicles and equipment whenever the Secretary determines that such leasing is practicable and efficient.

(b) LIMITATION ON CONTRACTS WITH TERMS OF 18 MONTHS OR MORE.—The Secretary of Defense or the Secretary of a military department may not enter into any contract with a term of 18 months or more, or extend or renew any contract for a term of 18 months or more, for any vessel, aircraft, or vehicle, through a lease, charter, or similar agreement, unless the Secretary has considered all costs of such contract (including estimated termination liability) and has determined in writing that the contract is in the best interest of the Government.

(Added Pub. L. 103-355, title III, § 3065(a)(1), Oct. 13, 1994, 108 Stat. 3337; amended Pub. L. 104-106, div. A, title VIII, § 807(a)(1), Feb. 10, 1996, 110 Stat. 391; Pub. L. 105-85, div. A, title X, § 1073(a)(52), Nov. 18, 1997, 111 Stat. 1903.)

PRIOR PROVISIONS

Provisions similar to those in subsec. (b) were contained in Pub. L. 101-165, title IX, § 9081, Nov. 21, 1989, 103 Stat. 1147, which was set out as a note under section 2401 of this title, prior to repeal by Pub. L. 103-355, § 3065(b).

A prior section 2401a was renumbered section 2350f of this title.

AMENDMENTS

1997—Subsec. (a). Pub. L. 105-85 substituted “such leasing” for “leasing of such vehicles”.

1996—Pub. L. 104-106 substituted “Lease of vehicles, equipment, vessels, and aircraft” for “Lease of vessels, aircraft, and vehicles” as section catchline, designated existing text as subsec. (b), inserted subsec. (b) heading, and added subsec. (a).

LEASES FOR TANKER AIRCRAFT UNDER MULTIYEAR AIRCRAFT-LEASE PILOT PROGRAM

Pub. L. 107-314, div. A, title I, § 133, Dec. 2, 2002, 116 Stat. 2477, provided that: “The Secretary of the Air Force may not enter into a lease for the acquisition of tanker aircraft for the Air Force under section 8159 of

the Department of Defense Appropriations Act, 2002 (division A of Public Law 107-117; 115 Stat. 2284; 10 U.S.C. 2401a note) until—

“(1) the Secretary submits the report specified in subsection (c)(6) of such section; and

“(2) either—

“(A) authorization and appropriation of funds necessary to enter into such lease are provided by law; or

“(B) a new start reprogramming notification for the funds necessary to enter into such lease has been submitted in accordance with established procedures.”

MULTI-YEAR AIRCRAFT LEASE PILOT PROGRAM

Pub. L. 108-136, div. A, title I, § 135, Nov. 24, 2003, 117 Stat. 1413, as amended by Pub. L. 108-375, div. A, title I, § 133, Oct. 28, 2004, 118 Stat. 1829, which prohibited the leasing of tanker aircraft pursuant to the multiyear aircraft lease pilot program under Pub. L. 107-117, § 8159, set out below, and authorized the Secretary of the Air Force to enter into a multiyear contract for the purchase of such aircraft, was repealed by Pub. L. 110-417, [div. A], title I, § 132, Oct. 14, 2008, 122 Stat. 4377. Pub. L. 107-206, title I, § 308, Aug. 2, 2002, 116 Stat. 841, provided that: “During the current fiscal year and hereafter, section 2533a of title 10, United States Code, shall not apply to any transaction entered into to acquire or sustain aircraft under the authority of section 8159 of the Department of Defense Appropriations Act, 2002 (division A of Public Law 107-117; 115 Stat. 2284) [set out below].”

Pub. L. 107-117, div. A, title VIII, § 8159, Jan. 10, 2002, 115 Stat. 2284, as amended by Pub. L. 107-248, title VIII, § 8117, Oct. 23, 2002, 116 Stat. 1564, provided that:

“(a) The Secretary of the Air Force may, from funds provided in this Act [see Tables for classification] or any future appropriations Act, establish and make payments on a multi-year pilot program for leasing general purpose Boeing 767 aircraft and Boeing 737 aircraft in commercial configuration.

“(b) Sections 2401 and 2401a of title 10, United States Code, shall not apply to any aircraft lease authorized by this section.

“(c) Under the aircraft lease Pilot Program authorized by this section:

“(1) The Secretary may include terms and conditions in lease agreements that are customary in aircraft leases by a non-Government lessor to a non-Government lessee, but only those that are not inconsistent with any of the terms and conditions mandated herein. Notwithstanding the provisions of Section 3324 of Title 31, United States Code, payment for the acquisition of leasehold interests under this section may be made for each annual term up to one year in advance.

“(2) The term of any individual lease agreement into which the Secretary enters under this section shall not exceed 10 years, inclusive of any options to renew or extend the initial lease term.

“(3) The Secretary may provide for special payments in a lessor if the Secretary terminates or cancels the lease prior to the expiration of its term. Such special payments shall not exceed an amount equal to the value of 1 year’s lease payment under the lease.

“(4) Subchapter IV of chapter 15 of title 31, United States Code shall apply to the lease transactions under this section, except that the limitation in section 1553(b)(2) shall not apply.

“(5) The Secretary shall lease aircraft under terms and conditions consistent with this section and consistent with the criteria for an operating lease as defined in OMB Circular A-11, as in effect at the time of the lease.

“(6) Lease arrangements authorized by this section may not commence until:

“(A) The Secretary submits a report to the congressional defense committees [Committees on Armed Services of the Senate and House of Representatives and Subcommittees on Defense of the

Committees on Appropriations of the Senate and House of Representatives] outlining the plans for implementing the Pilot Program. The report shall describe the terms and conditions of proposed contracts and describe the expected savings, if any, comparing total costs, including operation, support, acquisition, and financing, of the lease, including modification, with the outright purchase of the aircraft as modified.

“(B) A period of not less than 30 calendar days has elapsed after submitting the report.

“(7) Not later than 1 year after the date on which the first aircraft is delivered under this Pilot Program, and yearly thereafter on the anniversary of the first delivery, the Secretary shall submit a report to the congressional defense committees describing the status of the Pilot Program. The Report will be based on at least 6 months of experience in operating the Pilot Program.

“(8) The Air Force shall accept delivery of the aircraft in a general purpose configuration.

“(9) At the conclusion of the lease term, each aircraft obtained under that lease may be returned to the contractor in the same configuration in which the aircraft was delivered.

“(10) The present value of the total payments over the duration of each lease entered into under this authority shall not exceed 90 percent of the fair market value of the aircraft obtained under that lease.

“(d) No lease entered into under this authority shall provide for—

“(1) the modification of the general purpose aircraft from the commercial configuration, unless and until separate authority for such conversion is enacted and only to the extent budget authority is provided in advance in appropriations Acts for that purpose; or

“(2) the purchase of the aircraft by, or the transfer of ownership to, the Air Force.

“(e) The authority granted to the Secretary of the Air Force by this section is separate from and in addition to, and shall not be construed to impair or otherwise affect, the authority of the Secretary to procure transportation or enter into leases under a provision of law other than this section.

“(f) The authority provided under this section may be used to lease not more than a total of 100 Boeing 767 aircraft and 4 Boeing 737 aircraft for the purposes specified herein.

“(g) Notwithstanding any other provision of law, any payments required for a lease entered into under this Section, or any payments made pursuant to subsection (c)(3) above, may be made from appropriations available for operation and maintenance or for lease or procurement of aircraft at the time that the lease takes effect; appropriations available for operation and maintenance or for lease or procurement of aircraft at the time that the payment is due; or funds appropriated for those payments.”

Pub. L. 106-79, title VIII, §8133, Oct. 25, 1999, 113 Stat. 1267, provided that:

“(a) The Secretary of the Air Force may establish a multi-year pilot program for leasing aircraft for operational support purposes, including transportation for the combatant Commanders in Chief, on such terms and conditions as the Secretary may deem appropriate, consistent with this section.

“(b) Sections 2401 and 2401a of title 10, United States Code, shall not apply to any aircraft lease authorized by this section.

“(c) Under the aircraft lease Pilot Program authorized by this section:

“(1) The Secretary may include terms and conditions in lease agreements that are customary in aircraft leases by a non-Government lessor to a non-Government lessee.

“(2) The term of any individual lease agreement into which the Secretary enters under this section shall not exceed 10 years.

“(3) The Secretary may provide for special payments to a lessor if either the Secretary terminates

or cancels the lease prior to the expiration of its term or aircraft are damaged or destroyed prior to the expiration of the term of the lease. Such special payments shall not exceed an amount equal to the value of one year's lease payment under the lease. The amount of special payments shall be subject to negotiation between the Air Force and lessors.

“(4) Notwithstanding any other provision of law, any payments required under a lease under this section, and any payments made pursuant to subsection (3) above may be made from:

“(A) appropriations available for the performance of the lease at the time the lease takes effect;

“(B) appropriations for the operation and maintenance available at the time which the payment is due; and

“(C) funds appropriated for those payments.

“(5) The Secretary may lease aircraft, on such terms and conditions as the Secretary may deem appropriate, consistent with this section, through an operating lease consistent with OMB Circular A-11.

“(6) The Secretary may exchange or sell existing aircraft and apply the exchange allowance or sale proceeds in whole or in part toward the cost of leasing replacement aircraft under this section.

“(7) Lease arrangements authorized by this section may not commence until:

“(A) The Secretary submits a report to the congressional defense committees [Committees on Armed Services and Subcommittees on Defense of the Committees on Appropriations of the Senate and the House of Representatives] outlining the plans for implementing the Pilot Program. The report shall describe the terms and conditions of proposed contracts and the savings in operations and support costs expected to be derived from retiring older aircraft as compared to the expected cost of leasing newer replacement aircraft.

“(B) A period of not less than 30 calendar days has elapsed after submitting the report.

“(8) Not later than 1 year after the date on which the first aircraft is delivered under this Pilot Program, and yearly thereafter on the anniversary of the first delivery, the Secretary shall submit a report to the congressional defense committees describing the status of the Pilot Program. The Report will be based on at least 6 months of experience in operating the Pilot Program.

“(9) No lease of operational support aircraft may be entered into under this section after September 30, 2004.

“(d) The authority granted to the Secretary of the Air Force by this section is separate from and in addition to, and shall not be construed to impair or otherwise affect, the authority of the Secretary to procure transportation or enter into leases under a provision of law other than this section.

“(e) The authority provided under this section may be used to lease not more than a total of six aircraft for the purposes of providing operational support.”

LEASE OF FIREFIGHTING, CRASH RESCUE, AND SNOW REMOVAL EQUIPMENT

Pub. L. 105-262, title VIII, §8126, Oct. 17, 1998, 112 Stat. 2333, provided that:

“(a) The Secretary of the Army and the Secretary of the Air Force may each enter into one or more multi-year leases of nontactical firefighting equipment, nontactical crash rescue equipment, or nontactical snow removal equipment. The period of a lease entered into under this section shall be for any period not in excess of 10 years. Any such lease shall provide that performance under the lease during the second and subsequent years of the contract is contingent upon the appropriation of funds and shall provide for a cancellation payment to be made to the lessor if such appropriations are not made.

“(b) Lease payments made under subsection (a) shall be made from amounts provided in this or future appropriations Acts.

“(c) This section is effective for all fiscal years beginning after September 30, 1998.”

PILOT PROGRAM FOR LEASING COMMERCIAL UTILITY
CARGO VEHICLES

Pub. L. 104-106, div. A, title VIII, §807(c), Feb. 10, 1996, 110 Stat. 392, as amended by Pub. L. 106-65, div. A, title X, §1067(6), Oct. 5, 1999, 113 Stat. 774, authorized the Secretary of the Army to conduct a pilot program for leasing commercial utility cargo vehicles, directed the Secretary to submit to committees of Congress a report prior to commencement of the program containing plans for its implementation and setting forth the savings in operating and support costs expected to be derived from retiring older commercial utility cargo vehicles, as compared to the expected costs of leasing newer commercial utility cargo vehicles, directed the Secretary to submit to committees of Congress a report on the status of the program not later than one year after the date on which the first lease under the program had been entered into, and provided that no lease could be entered into under the program after Sept. 30, 2000.

§ 2402. Prohibition of contractors limiting subcontractor sales directly to the United States

(a) Each contract for the purchase of supplies or services made by the Department of Defense shall provide that the contractor will not—

(1) enter into any agreement with a subcontractor under the contract that has the effect of unreasonably restricting sales by the subcontractor directly to the United States of any item or process (including computer software) made or furnished by the subcontractor under the contract (or any follow-on production contract); or

(2) otherwise act to restrict unreasonably the ability of a subcontractor to make sales to the United States described in clause (1).

(b) This section does not prohibit a contractor from asserting rights it otherwise has under law.

(c) This section does not apply to a contract that is for an amount not greater than the simplified acquisition threshold (as defined in section 134 of title 41).

(d)(1) An agreement between the contractor in a contract for the acquisition of commercial items and a subcontractor under such contract that restricts sales by such subcontractor directly to persons other than the contractor may not be considered to unreasonably restrict sales by that subcontractor to the United States in violation of the provision included in such contract pursuant to subsection (a) if the agreement does not result in the United States being treated differently with regard to the restriction than any other prospective purchaser of such commercial items from that subcontractor.

(2) In paragraph (1), the term “commercial item” has the meaning given such term in section 103 of title 41.

(Added Pub. L. 98-525, title XII, §1234(a), Oct. 19, 1984, 98 Stat. 2601; amended Pub. L. 103-355, title IV, §4102(f), title VIII, §8105(g), Oct. 13, 1994, 108 Stat. 3340, 3392; Pub. L. 111-350, §5(b)(25), Jan. 4, 2011, 124 Stat. 3844.)

AMENDMENTS

2011—Subsec. (c). Pub. L. 111-350, §5(b)(25)(A), substituted “section 134 of title 41” for “section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11))”.

Subsec. (d)(2). Pub. L. 111-350, §5(b)(25)(B), substituted “section 103 of title 41” for “section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12))”. 1994—Subsecs. (c), (d). Pub. L. 103-355 added subsecs. (c) and (d).

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 2302 of this title.

EFFECTIVE DATE

Section 1234(c) of Pub. L. 98-525 provided that: “Section 2402 of title 10, United States Code (as added by subsection (a)), shall take effect at the end of the 180-day period beginning on the date of the enactment of this Act [Oct. 19, 1984].”

§ 2403. Repealed. Pub. L. 105-85, div. A, title VIII, § 847(a), Nov. 18, 1997, 111 Stat. 1845]

Section, added Pub. L. 98-525, title XII, §1234(a), Oct. 19, 1984, 98 Stat. 2601; amended Pub. L. 99-433, title I, §110(g)(5), Oct. 1, 1986, 100 Stat. 1004; Pub. L. 100-26, §7(k)(2), Apr. 21, 1987, 101 Stat. 284; Pub. L. 103-355, title II, §2402, Oct. 13, 1994, 108 Stat. 3324; Pub. L. 104-106, div. A, title XV, §1502(a)(21), Feb. 10, 1996, 110 Stat. 505, related to major weapon systems and contractor guarantees.

§ 2404. Renumbered § 2922e]

§ 2405. Repealed. Pub. L. 105-85, div. A, title VIII, § 810(a)(1), Nov. 18, 1997, 111 Stat. 1839]

Section, added Pub. L. 98-525, title XII, §1234(a), Oct. 19, 1984, 98 Stat. 2604; amended Pub. L. 102-484, div. A, title VIII, §813(c), Oct. 23, 1992, 106 Stat. 2453; Pub. L. 103-355, title II, §2302(a), (b), Oct. 13, 1994, 108 Stat. 3321; Pub. L. 104-106, div. D, title XLIII, §4321(b)(14), Feb. 10, 1996, 110 Stat. 673, related to limitation on adjustment of shipbuilding contracts.

EFFECTIVE DATE OF REPEAL

Pub. L. 105-85, div. A, title VIII, §810(b), Nov. 18, 1997, 111 Stat. 1839, provided that:

“(1) Except as provided in paragraph (2), the repeal made by subsection (a) [repealing this section] shall be effective with respect to claims, requests for equitable adjustment, and demands for payment under shipbuilding contracts that have been or are submitted before, on, or after the date of the enactment of this Act [Nov. 18, 1997].

“(2) Section 2405 of title 10, United States Code, as in effect immediately before the date of the enactment of this Act, shall continue to apply to a contractor’s claim, request for equitable adjustment, or demand for payment under a shipbuilding contract that was submitted before such date if—

“(A) a contracting officer denied the claim, request, or demand, and the period for appealing the decision to a court or board under the Contract Disputes Act of 1978 [see 41 U.S.C. 7101 et seq.] expired before such date;

“(B) a court or board of contract appeals considering the claim, request, or demand (including any appeal of a decision of a contracting officer to deny the claim, request, or demand) denied or dismissed the claim, request, or demand (or the appeal), and the action of the court or board became final and unappealable before such date; or

“(C) the contractor released or releases the claim, request, or demand.”

§ 2406. Repealed. Pub. L. 103-355, title II, § 2201(b)(1), Oct. 13, 1994, 108 Stat. 3318]

Section, added Pub. L. 99-145, title IX, §917(a), Nov. 8, 1985, 99 Stat. 689; amended Pub. L. 99-500, §101(c) [title

X, §943(a)(1), Oct. 18, 1986, 100 Stat. 1783–82, 1783–162, and Pub. L. 99–591, §101(c) [title X, §943(a)(1)], Oct. 30, 1986, 100 Stat. 3341–82, 3341–162; Pub. L. 99–661, div. A, title IX, formerly title IV, §943(a)(1), Nov. 14, 1986, 100 Stat. 3942, renumbered title IX, Pub. L. 100–26, §3(5), Apr. 21, 1987, 101 Stat. 273; Pub. L. 100–180, div. A, title XII, §1231(13), Dec. 4, 1987, 101 Stat. 1160, required contractor under covered contract with an agency to make cost and pricing data available to agency in timely manner.

EFFECTIVE DATE OF REPEAL

For effective date and applicability of repeal, see section 10001 of Pub. L. 103–355, set out as an Effective Date of 1994 Amendment note under section 2302 of this title.

[§ 2407. Renumbered § 2350b]

NATO COOPERATIVE LOGISTIC SUPPORT AGREEMENTS

Section 1102 of Pub. L. 99–661, div. A, title XI, §1102, Nov. 14, 1986, 100 Stat. 3961, which authorized Secretary of Defense to enter Weapon System Partnership Agreements with one or more governments of other member countries of NATO, was repealed by Pub. L. 101–189, div. A, title IX, §931(d)(2), Nov. 29, 1989, 103 Stat. 1535. See section 2350d of this title.

NATO COOPERATIVE RESEARCH AND DEVELOPMENT

Section 1103 of Pub. L. 99–145, title XI, §1103, Nov. 8, 1985, 99 Stat. 712, which urged and requested member nations of NATO to cooperate in research and development of defense equipment and munitions and in the production of defense equipment, was repealed by Pub. L. 101–189, div. A, title IX, §931(d)(1), Nov. 29, 1989, 103 Stat. 1535. See section 2350a of this title.

AUTHORITY OF SECRETARY OF DEFENSE IN CONNECTION WITH NATO AWACS PROGRAM

Pub. L. 97–86, title I, §103, Dec. 1, 1981, 95 Stat. 1100, as amended by Pub. L. 97–252, title I, §106, Sept. 8, 1982, 96 Stat. 720; Pub. L. 98–94, title I, §105, Sept. 24, 1983, 97 Stat. 620; Pub. L. 98–525, title I, §106, Oct. 19, 1984, 98 Stat. 2503; Pub. L. 99–145, title I, §106(b), Nov. 8, 1985, 99 Stat. 596; Pub. L. 99–661, title I, §106, Nov. 14, 1986, 100 Stat. 3827; Pub. L. 100–180, title I, §109, Dec. 4, 1987, 101 Stat. 1036, which set forth authority of Secretary of Defense in connection with NATO AWACS Program, was repealed by Pub. L. 101–189, div. A, title IX, §932(b), Nov. 29, 1989, 103 Stat. 1537. See section 2350e of this title. Similar provisions were contained in the following prior authorization acts:

Pub. L. 96–342, title I, §103, Sept. 8, 1980, 94 Stat. 1078.

Pub. L. 96–107, title I, §104, Nov. 9, 1979, 93 Stat. 804.

§ 2408. Prohibition on persons convicted of defense-contract related felonies and related criminal penalty on defense contractors

(a) PROHIBITION.—(1) An individual who is convicted of fraud or any other felony arising out of a contract with the Department of Defense shall be prohibited from each of the following:

(A) Working in a management or supervisory capacity on any defense contract or any first tier subcontract of a defense contract.

(B) Serving on the board of directors of any defense contractor or any subcontractor awarded a contract directly by a defense contractor.

(C) Serving as a consultant to any defense contractor or any subcontractor awarded a contract directly by a defense contractor.

(D) Being involved in any other way, as determined under regulations prescribed by the Secretary of Defense, with a defense contract or first tier subcontract of a defense contract.

(2) Except as provided in paragraph (3), the prohibition in paragraph (1) shall apply for a period, as determined by the Secretary of Defense, of not less than five years after the date of the conviction.

(3) The prohibition in paragraph (1) may apply with respect to an individual for a period of less than five years if the Secretary determines that the five-year period should be waived in the interests of national security.

(4) The prohibition in paragraph (1) does not apply with respect to the following:

(A) A contract referred to in subparagraph (A), (B), (C), or (D) of such paragraph that is not greater than the simplified acquisition threshold (as defined in section 134 of title 41).

(B) A contract referred to in such subparagraph that is for the acquisition of commercial items (as defined in section 103 of title 41).

(C) A subcontract referred to in such subparagraph that is under a contract described in subparagraph (A) or (B).

(b) CRIMINAL PENALTY.—A defense contractor or subcontractor shall be subject to a criminal penalty of not more than \$500,000 if such contractor or subcontractor is convicted of knowingly—

(1) employing a person under a prohibition under subsection (a); or

(2) allowing such a person to serve on the board of directors of such contractor or subcontractor.

(c) SINGLE POINT OF CONTACT FOR INFORMATION.—(1) The Attorney General shall ensure that a single point of contact is established to enable a defense contractor or subcontractor to promptly obtain information regarding whether a person that the contractor or subcontractor proposes to use for an activity covered by paragraph (1) of subsection (a) is under a prohibition under that subsection.

(2) The procedure for obtaining such information shall be specified in regulations prescribed by the Secretary of Defense under subsection (a).

(Added Pub. L. 99–500, §101(c) [title X, §941(a)(1)], Oct. 18, 1986, 100 Stat. 1783–82, 1783–161, and Pub. L. 99–591, §101(c) [title X, §941(a)(1)], Oct. 30, 1986, 100 Stat. 3341–82, 3341–161; Pub. L. 99–661, div. A, title IX, formerly title IV, §941(a)(1), Nov. 14, 1986, 100 Stat. 3941, renumbered title IX, Pub. L. 100–26, §3(5), Apr. 21, 1987, 101 Stat. 273; amended Pub. L. 100–456, div. A, title VIII, §831(a), Sept. 29, 1988, 102 Stat. 2023; Pub. L. 101–510, div. A, title VIII, §812, Nov. 5, 1990, 104 Stat. 1596; Pub. L. 102–484, div. A, title VIII, §815(a), Oct. 23, 1992, 106 Stat. 2454; Pub. L. 103–355, title IV, §4102(g), title VIII, §8105(h), Oct. 13, 1994, 108 Stat. 3340, 3393; Pub. L. 104–106, div. A, title X, §1062(e), Feb. 10, 1996, 110 Stat. 444; Pub. L. 111–350, §5(b)(26), Jan. 4, 2011, 124 Stat. 3844.)

CODIFICATION

Pub. L. 99–591 is a corrected version of Pub. L. 99–500. Pub. L. 99–500, Pub. L. 99–591, and Pub. L. 99–661 added identical sections.

AMENDMENTS

2011—Subsec. (a)(4)(A). Pub. L. 111–350, §5(b)(26)(A), substituted “section 134 of title 41” for “section 4(11)

of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11))”.

Subsec. (a)(4)(B). Pub. L. 111-350, §5(b)(26)(B), substituted “section 103 of title 41)” for “section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12))”.

1996—Subsec. (a)(3). Pub. L. 104-106 struck out at end “If the five-year period is waived, the Secretary shall submit to Congress a report stating the reasons for the waiver.”

1994—Subsec. (a)(4). Pub. L. 103-355, §4102(g), added introductory provisions and subpar. (A).

Subsec. (a)(4)(B). Pub. L. 103-355, §8105(h)(1), added subpar. (B).

Subsec. (a)(4)(C). Pub. L. 103-355, §8105(h)(2), inserted “or (B)” before period at end.

Pub. L. 103-355, §4102(g), added subpar. (C).

1992—Subsec. (c). Pub. L. 102-484 added subsec. (c).

1990—Subsec. (a)(1)(A). Pub. L. 101-510, §812(a)(1), inserted before period at end “or any first tier subcontract of a defense contract”.

Subsec. (a)(1)(B). Pub. L. 101-510, §812(a)(2), inserted before period at end “or any subcontractor awarded a contract directly by a defense contractor”.

Subsec. (a)(1)(C). Pub. L. 101-510, §812(a)(3), inserted before period at end “or any subcontractor awarded a contract directly by a defense contractor”.

Subsec. (a)(1)(D). Pub. L. 101-510, §812(a)(4), inserted before period at end “or first tier subcontract of a defense contract”.

Subsec. (b). Pub. L. 101-510, §812(b), inserted “or subcontractor” after “contractor” wherever appearing.

1988—Subsec. (a). Pub. L. 100-456 amended subsec. (a) generally. Prior to amendment, subsec. (a) read as follows: “A person who is convicted of fraud or any other felony arising out of a contract with the Department of Defense shall be prohibited from working in a management or supervisory capacity on any defense contract, or serving on the board of directors of any defense contractor, for a period, as determined by the Secretary of Defense, of not less than one year from the date of the conviction.”

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 2302 of this title.

EFFECTIVE DATE OF 1988 AMENDMENT

Section 831(b) of Pub. L. 100-456 provided that: “Section 2408(a) of title 10, United States Code, as amended by subsection (a), shall apply with respect to individuals convicted after the date of the enactment of this Act [Sept. 29, 1988].”

EFFECTIVE DATE

Section 101(c) [title X, §941(c)] of Pub. L. 99-500 and Pub. L. 99-591, and section 941(c) of title IX, formerly title IV, of Pub. L. 99-661, renumbered title IX, Pub. L. 100-26, §3(5), Apr. 21, 1987, 101 Stat. 273, provided that: “Section 2408 of title 10, United States Code (as added by subsection (a)(1)), shall apply with respect to employment or service on a board of directors after the date of the enactment of this Act [Oct. 18, 1986].”

DEADLINE FOR SINGLE POINT OF CONTACT

Pub. L. 102-484, div. A, title VIII, §815(b), Oct. 23, 1992, 106 Stat. 2454, directed that the single point of contact required by subsec. (c) of this section be established not later than 120 days after Oct. 23, 1992.

§ 2409. Contractor employees: protection from reprisal for disclosure of certain information

(a) PROHIBITION OF REPRISALS.—An employee of a contractor may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a Member of Congress, a representative of a committee of Congress, an In-

pector General, the Government Accountability Office, a Department of Defense employee responsible for contract oversight or management, or an authorized official of an agency or the Department of Justice information that the employee reasonably believes is evidence of gross mismanagement of a Department of Defense contract or grant, a gross waste of Department of Defense funds, a substantial and specific danger to public health or safety, or a violation of law related to a Department of Defense contract (including the competition for or negotiation of a contract) or grant.

(b) INVESTIGATION OF COMPLAINTS.—(1) A person who believes that the person has been subjected to a reprisal prohibited by subsection (a) may submit a complaint to the Inspector General of the Department of Defense, or the Inspector General of the National Aeronautics and Space Administration in the case of a complaint regarding the National Aeronautics and Space Administration. Unless the Inspector General determines that the complaint is frivolous, the Inspector General shall investigate the complaint and, upon completion of such investigation, submit a report of the findings of the investigation to the person, the contractor concerned, and the head of the agency.

(2)(A) Except as provided under subparagraph (B), the Inspector General shall make a determination that a complaint is frivolous or submit a report under paragraph (1) within 180 days after receiving the complaint.

(B) If the Inspector General is unable to complete an investigation in time to submit a report within the 180-day period specified in subparagraph (A) and the person submitting the complaint agrees to an extension of time, the Inspector General shall submit a report under paragraph (1) within such additional period of time as shall be agreed upon between the Inspector General and the person submitting the complaint.

(c) REMEDY AND ENFORCEMENT AUTHORITY.—(1) Not later than 30 days after receiving an Inspector General report pursuant to subsection (b), the head of the agency concerned shall determine whether there is sufficient basis to conclude that the contractor concerned has subjected the complainant to a reprisal prohibited by subsection (a) and shall either issue an order denying relief or shall take one or more of the following actions:

(A) Order the contractor to take affirmative action to abate the reprisal.

(B) Order the contractor to reinstate the person to the position that the person held before the reprisal, together with the compensation (including back pay), employment benefits, and other terms and conditions of employment that would apply to the person in that position if the reprisal had not been taken.

(C) Order the contractor to pay the complainant an amount equal to the aggregate amount of all costs and expenses (including attorneys' fees and expert witnesses' fees) that were reasonably incurred by the complainant for, or in connection with, bringing the complaint regarding the reprisal, as determined by the head of the agency.

(2) If the head of an executive agency issues an order denying relief under paragraph (1) or has not issued an order within 210 days after the submission of a complaint under subsection (b), or in the case of an extension of time under paragraph (b)(2)(B), not later than 30 days after the expiration of the extension of time, and there is no showing that such delay is due to the bad faith of the complainant, the complainant shall be deemed to have exhausted all administrative remedies with respect to the complaint, and the complainant may bring a de novo action at law or equity against the contractor to seek compensatory damages and other relief available under this section in the appropriate district court of the United States, which shall have jurisdiction over such an action without regard to the amount in controversy. Such an action shall, at the request of either party to the action, be tried by the court with a jury.

(3) An Inspector General determination and an agency head order denying relief under paragraph (2) shall be admissible in evidence in any de novo action at law or equity brought pursuant to this subsection.

(4) Whenever a person fails to comply with an order issued under paragraph (1), the head of the agency shall file an action for enforcement of such order in the United States district court for a district in which the reprisal was found to have occurred. In any action brought under this paragraph, the court may grant appropriate relief, including injunctive relief and compensatory and exemplary damages.

(5) Any person adversely affected or aggrieved by an order issued under paragraph (1) may obtain review of the order's conformance with this subsection, and any regulations issued to carry out this section, in the United States court of appeals for a circuit in which the reprisal is alleged in the order to have occurred. No petition seeking such review may be filed more than 60 days after issuance of the order by the head of the agency. Review shall conform to chapter 7 of title 5.

(d) CONSTRUCTION.—Nothing in this section may be construed to authorize the discharge of, demotion of, or discrimination against an employee for a disclosure other than a disclosure protected by subsection (a) or to modify or derogate from a right or remedy otherwise available to the employee.

(e) DEFINITIONS.—In this section:

(1) The term “agency” means an agency named in section 2303 of this title.

(2) The term “head of an agency” has the meaning provided by section 2302(1) of this title.

(3) The term “contract” means a contract awarded by the head of an agency.

(4) The term “contractor” means a person awarded a contract or a grant with an agency.

(5) The term “Inspector General” means an Inspector General appointed under the Inspector General Act of 1978 and any Inspector General that receives funding from, or has oversight over contracts awarded for or on behalf of, the Secretary of Defense.

(Added Pub. L. 99-500, §101(c) [title X, §942(a)(1)], Oct. 18, 1986, 100 Stat. 1783-82, 1783-162, and Pub. L. 99-591, §101(c) [title X, §942(a)(1)], Oct. 30, 1986,

100 Stat. 3341-82, 3341-162; Pub. L. 99-661, div. A, title IX, formerly title IV, §942(a)(1), Nov. 14, 1986, 100 Stat. 3942, renumbered title IX, Pub. L. 100-26, §3(5), Apr. 21, 1987, 101 Stat. 273; amended Pub. L. 102-25, title VII, §701(k)(1), Apr. 6, 1991, 105 Stat. 116; Pub. L. 102-484, div. A, title X, §1052(30)(A), Oct. 23, 1992, 106 Stat. 2500; Pub. L. 103-355, title VI, §6005(a), Oct. 13, 1994, 108 Stat. 3364; Pub. L. 104-106, div. D, title XLIII, §4321(a)(10), Feb. 10, 1996, 110 Stat. 671; Pub. L. 110-181, div. A, title VIII, §846, Jan. 28, 2008, 122 Stat. 241.)

REFERENCES IN TEXT

The Inspector General Act of 1978, referred to in subsec. (e)(5), is Pub. L. 95-452, Oct. 12, 1978, 92 Stat. 1101, as amended, which is set out in the Appendix to Title 5, Government Organization and Employees.

CODIFICATION

Pub. L. 99-591 is a corrected version of Pub. L. 99-500. Pub. L. 99-500, Pub. L. 99-591, and Pub. L. 99-661 added identical sections.

AMENDMENTS

2008—Subsec. (a). Pub. L. 110-181, §846(a), substituted “disclosing to a Member of Congress, a representative of a committee of Congress, an Inspector General, the Government Accountability Office, a Department of Defense employee responsible for contract oversight or management,” for “disclosing to a Member of Congress” and “information that the employee reasonably believes is evidence of gross mismanagement of a Department of Defense contract or grant, a gross waste of Department of Defense funds, a substantial and specific danger to public health or safety, or a violation of law related to a Department of Defense contract (including the competition for or negotiation of a contract) or grant” for “information relating to a substantial violation of law related to a contract (including the competition for or negotiation of a contract)”.

Subsec. (b). Pub. L. 110-181, §846(b), designated existing provisions as par. (1), substituted “the Department of Defense, or the Inspector General of the National Aeronautics and Space Administration in the case of a complaint regarding the National Aeronautics and Space Administration” for “an agency”, and added par. (2).

Subsec. (c)(1). Pub. L. 110-181, §846(c)(1), in introductory provisions, substituted “Not later than 30 days after receiving an Inspector General report pursuant to subsection (b), the head of the agency concerned shall determine whether there is sufficient basis to conclude that the contractor concerned has subjected the complainant to a reprisal prohibited by subsection (a) and shall either issue an order denying relief or shall” for “If the head of the agency determines that a contractor has subjected a person to a reprisal prohibited by subsection (a), the head of the agency may”.

Subsec. (c)(2) to (5). Pub. L. 110-181, §846(c)(2), (3), added pars. (2) and (3) and redesignated former pars. (2) and (3) as (4) and (5), respectively.

Subsec. (e)(4). Pub. L. 110-181, §846(d)(1), inserted “or a grant” after “a contract”.

Subsec. (e)(5). Pub. L. 110-181, §846(d)(2), inserted “and any Inspector General that receives funding from, or has oversight over contracts awarded for or on behalf of, the Secretary of Defense” before period at end.

1996—Pub. L. 104-106 made technical correction to Pub. L. 103-355, §6005(a). See 1994 Amendment note below.

1994—Pub. L. 103-355, §6005(a), as amended by Pub. L. 104-106, amended section generally. Prior to amendment, subsec. (a) related to prohibition of reprisals, subsec. (b) to investigation of complaints, subsec. (c) to construction of section, and subsec. (d) to coordination of section with former section 2409a of this title.

1992—Subsec. (d). Pub. L. 102-484 amended subsec. (d) generally. Prior to amendment, subsec. (d) read as fol-

lows: “EFFECTIVE DATE.—This section shall not be in effect during the period when section 2409a of this title is in effect.”

1991—Subsec. (d), Pub. L. 102–25 added subsec. (d).

EFFECTIVE DATE OF 1996 AMENDMENT

Section 4321(a) of Pub. L. 104–106 provided that the amendment made by that section is effective as of Oct. 13, 1994, and as if included in Pub. L. 103–355 as enacted.

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 2302 of this title.

EFFECTIVE DATE OF 1992 AMENDMENT

Section 1052(30)(B) of Pub. L. 102–484 provided that: “The amendment made by subparagraph (A) [amending this section] shall take effect as if enacted immediately following the enactment of Public Law 102–25 (105 Stat. 75).”

EFFECTIVE DATE

Section 101(c) [title X, §942(b)] of Pub. L. 99–500 and Pub. L. 99–591, and section 942(b) of title IX, formerly title IV, of Pub. L. 99–661, renumbered title IX, Pub. L. 100–26, §3(5), Apr. 21, 1987, 101 Stat. 273, provided that: “Section 2409 of title 10, United States Code (as added by subsection (a)(1)), shall apply with respect to any reprisal action taken on or after the date of the enactment of this Act [Oct. 18, 1986].”

INFORMATION FOR DEPARTMENT OF DEFENSE CONTRACTOR EMPLOYEES ON THEIR WHISTLEBLOWER RIGHTS

Pub. L. 110–417, [div. A], title VIII, §842, Oct. 14, 2008, 122 Stat. 4539, provided that:

“(a) IN GENERAL.—The Secretary of Defense shall ensure that contractors of the Department of Defense inform their employees in writing of employee whistleblower rights and protections under section 2409 of title 10, United States Code, as implemented by subpart 3.9 of part I of title 48, Code of Federal Regulations.

“(b) CONTRACTOR DEFINED.—In this section, the term ‘contractor’ has the meaning given that term in section 2409(e)(4) of title 10, United States Code.”

[§ 2409a. Repealed. Pub. L. 103–355, title VI, § 6005(b)(1), Oct. 13, 1994, 108 Stat. 3365]

Section, added Pub. L. 101–510, div. A, title VIII, §837(a)(1), Nov. 5, 1990, 104 Stat. 1616; amended Pub. L. 102–25, title VII, §701(j)(4), (k)(2), Apr. 6, 1991, 105 Stat. 116, 117, required promulgation of regulations prohibiting defense contractor from discharging or discriminating against employee for disclosing to Government official information concerning contract between contractor and Department of Defense evidencing violation of Federal law or regulation and providing certain complaint and investigation provisions and provided procedures for review and enforcement.

EFFECTIVE DATE OF REPEAL

For effective date and applicability of repeal, see section 10001 of Pub. L. 103–355, set out as an Effective Date of 1994 Amendment note under section 2302 of this title.

§ 2410. Requests for equitable adjustment or other relief: certification

(a) CERTIFICATION REQUIREMENT.—A request for equitable adjustment to contract terms or request for relief under Public Law 85–804 (50 U.S.C. 1431 et seq.) that exceeds the simplified acquisition threshold may not be paid unless a person authorized to certify the request on behalf of the contractor certifies, at the time the request is submitted, that—

(1) the request is made in good faith, and

(2) the supporting data are accurate and complete to the best of that person’s knowledge and belief.

(b) RESTRICTION ON LEGISLATIVE PAYMENT OF CLAIMS.—In the case of a contract of an agency named in section 2303(a) of this title, no provision of a law enacted after September 30, 1994, that directs the payment of a particular claim under such contract, a particular request for equitable adjustment to any term of such contract, or a particular request for relief under Public Law 85–804 (50 U.S.C. 1431 et seq.) regarding such contract may be implemented unless such provision of law—

(1) specifically refers to this subsection; and

(2) specifically states that this subsection does not apply with respect to the payment directed by that provision of law.

(c) DEFINITION.—In this section, the term “simplified acquisition threshold” has the meaning given that term in section 134 of title 41.

(Added Pub. L. 103–355, title II, §2301(a), Oct. 13, 1994, 108 Stat. 3320; amended Pub. L. 111–350, §5(b)(27), Jan. 4, 2011, 124 Stat. 3845.)

REFERENCES IN TEXT

Public Law 85–804, referred to in subsecs. (a) and (b), is Pub. L. 85–804, Aug. 28, 1958, 72 Stat. 972, which is classified generally to chapter 29 (§1431 et seq.) of Title 50, War and National Defense. For complete classification of this Act to the Code, see Tables.

PRIOR PROVISIONS

A prior section, added Pub. L. 100–370, §1(h)(2), July 19, 1988, 102 Stat. 847, provided that contract claims, requests for equitable adjustments, requests for relief under section 1431 et seq. of Title 50, War and National Defense, and other similar requests by contractors exceeding \$100,000 were not to be paid unless senior official of contractor certified that claim or request was made in good faith and that data submitted was accurate and complete to the best of such official’s knowledge and belief, prior to repeal by Pub. L. 102–484, div. A, title VIII, §813(b), Oct. 23, 1992, 106 Stat. 2453, effective upon promulgation of regulations pursuant to former section 2410e of this title [Interim rules, effective Apr. 30, 1993, were promulgated and published in the Federal Register, 58 F.R. 28458, May 13, 1993, and final rules, effective May 27, 1994, were promulgated and published in the Federal Register, 59 F.R. 27662, May 27, 1994].

AMENDMENTS

2011—Subsec. (c), Pub. L. 111–350 substituted “section 134 of title 41” for “section 4(11) of the Office of Federal Procurement Policy Act”.

EFFECTIVE DATE

For effective date and applicability of section, see section 10001 of Pub. L. 103–355, set out as an Effective Date of 1994 Amendment note under section 2302 of this title.

§ 2410a. Contracts for periods crossing fiscal years: severable service contracts; leases of real or personal property

(a) AUTHORITY.—(1) The Secretary of Defense, the Secretary of a military department, or the Secretary of Homeland Security with respect to the Coast Guard when it is not operating as a service in the Navy, may enter into a contract

for a purpose described in paragraph (2) for a period that begins in one fiscal year and ends in the next fiscal year if (without regard to any option to extend the period of the contract) the contract period does not exceed one year.

(2) The purpose of a contract described in this paragraph is as follows:

(A) The procurement of severable services.

(B) The lease of real or personal property, including the maintenance of such property when contracted for as part of the lease agreement.

(b) OBLIGATION OF FUNDS.—Funds made available for a fiscal year may be obligated for the total amount of a contract entered into under the authority of subsection (a).

(Added Pub. L. 100-370, §1(h)(2), July 19, 1988, 102 Stat. 847; amended Pub. L. 102-190, div. A, title III, §342, Dec. 5, 1991, 105 Stat. 1343; Pub. L. 104-324, title II, §214(b), Oct. 19, 1996, 110 Stat. 3915; Pub. L. 105-85, div. A, title VIII, §801(a), Nov. 18, 1997, 111 Stat. 1831; Pub. L. 107-296, title XVII, §1704(b)(1), Nov. 25, 2002, 116 Stat. 2314; Pub. L. 108-136, div. A, title X, §1005(a), (b)(1), Nov. 24, 2003, 117 Stat. 1584.)

HISTORICAL AND REVISION NOTES

Section is based on Pub. L. 99-190, §101(b) [title VIII, §8005(e), (h), (i)], Dec. 19, 1985, 99 Stat. 1185, 1202.

AMENDMENTS

2003—Pub. L. 108-136, §1005(b)(1), amended section catchline generally, substituting “Contracts for periods crossing fiscal years: severable service contracts; leases of real or personal property” for “Severable service contracts for periods crossing fiscal years”.

Subsec. (a). Pub. L. 108-136, §1005(a), inserted “(1)” before “The Secretary of Defense”, substituted “for a purpose described in paragraph (2)” for “for procurement of severable services”, and added par. (2).

2002—Subsec. (a). Pub. L. 107-296 substituted “of Homeland Security” for “of Transportation”.

1997—Pub. L. 105-85 amended section generally. Prior to amendment, section related to availability of appropriated funds for payments under contracts for various types of maintenance, leases, and operations and authorized Secretary of Transportation to enter into contracts for procurement of severable services.

1996—Pub. L. 104-324 designated existing provisions as subsec. (a) and added subsec. (b).

1991—Par. (1). Pub. L. 102-190, §342(1), inserted “, equipment,” after “tools”.

Par. (4). Pub. L. 102-190, §342(2), added par. (4).

EFFECTIVE DATE OF 2003 AMENDMENT

Pub. L. 108-136, div. A, title X, §1005(c), Nov. 24, 2003, 117 Stat. 1585, provided that: “The amendments made by this section [amending this section] shall not apply to funds appropriated for a fiscal year before fiscal year 2004.”

EFFECTIVE DATE OF 2002 AMENDMENT

Amendment by Pub. L. 107-296 effective on the date of transfer of the Coast Guard to the Department of Homeland Security, see section 1704(g) of Pub. L. 107-296, set out as a note under section 101 of this title.

§ 2410b. Contractor inventory accounting systems: standards

(a) The Secretary of Defense shall prescribe in regulations—

(1) standards for inventory accounting systems used by contractors under contract with the Department of Defense; and

(2) appropriate enforcement requirements with respect to such standards.

(b) The regulations prescribed pursuant to subsection (a) shall not apply to a contract that is for an amount not greater than the simplified acquisition threshold.

(c) The regulations prescribed pursuant to subsection (a) shall not apply to a contract for the purchase of commercial items (as defined in section 103 of title 41).

(Added Pub. L. 100-456, div. A, title VIII, §834(a)(1), Sept. 29, 1988, 102 Stat. 2024; amended Pub. L. 103-355, title IV, §4102(h), title VIII, §8105(i), Oct. 13, 1994, 108 Stat. 3341, 3393; Pub. L. 104-106, div. D, title XLIII, §4301(a)(1), Feb. 10, 1996, 110 Stat. 656; Pub. L. 104-201, div. A, title X, §1074(b)(3), Sept. 23, 1996, 110 Stat. 2660; Pub. L. 111-350, §5(b)(28), Jan. 4, 2011, 124 Stat. 3845.)

AMENDMENTS

2011—Subsec. (c). Pub. L. 111-350 substituted “section 103 of title 41” for “section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12))”.

1996—Subsec. (a)(2). Pub. L. 104-106, as amended by Pub. L. 104-201, struck out “certification and” after “appropriate”.

1994—Subsecs. (a), (b). Pub. L. 103-355, §4102(h), designated existing provisions as subsec. (a) and added subsec. (b).

Subsec. (c). Pub. L. 103-355, §8105(i), added subsec. (c).

EFFECTIVE DATE OF 1996 AMENDMENT

For effective date and applicability of amendment by Pub. L. 104-106, see section 4401 of Pub. L. 104-106, set out as a note under section 2302 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 2302 of this title.

REGULATIONS

Section 834(b) of Pub. L. 100-456 provided that:

“(1) The Secretary of Defense shall prescribe the regulations required by paragraph (1) of section 2410b of title 10, United States Code, as added by subsection (a), not later than 30 days after the date of the enactment of this Act [Sept. 29, 1988].

“(2) The Secretary of Defense shall prescribe the regulations required by paragraph (2) of section 2410b of title 10, United States Code, as added by subsection (a), not later than 180 days after the date of the enactment of this Act.”

[§ 2410c. Renumbered § 2922f]

CODIFICATION

Another section 2410c was renumbered section 2410j of this title.

§ 2410d. Subcontracting plans: credit for certain purchases

(a) PURCHASES BENEFITING SEVERELY HANDICAPPED PERSONS.—In the case of a business concern that has negotiated a small business subcontracting plan with a military department or a Defense Agency, purchases made by that business concern from qualified nonprofit agencies for the blind or other severely handicapped shall count toward meeting the subcontracting goal provided in that plan.

(b) DEFINITIONS.—In this section:

(1) The term “small business subcontracting plan” means a plan negotiated pursuant to

section 8(d) of the Small Business Act (15 U.S.C. 637(d)) that establishes a goal for the participation of small business concerns as subcontractors under a contract.

(2) The term “qualified nonprofit agency for the blind or other severely handicapped” means—

(A) a qualified nonprofit agency for the blind, as defined in section 8501(7) of title 41;

(B) a qualified nonprofit agency for other severely disabled, as defined in section 8501(6) of title 41; and

(C) a central nonprofit agency designated by the Committee for Purchase from People Who Are Blind or Severely Disabled under section 8503(c) of title 41.

(Added Pub. L. 102-484, div. A, title VIII, §808(b)(1), Oct. 23, 1992, 106 Stat. 2449; amended Pub. L. 103-337, div. A, title VIII, §804, Oct. 5, 1994, 108 Stat. 2815; Pub. L. 104-106, div. D, title XLIII, §4321(b)(15), Feb. 10, 1996, 110 Stat. 673; Pub. L. 105-85, div. A, title VIII, §835, Nov. 18, 1997, 111 Stat. 1843; Pub. L. 106-65, div. A, title VIII, §807, Oct. 5, 1999, 113 Stat. 705; Pub. L. 111-350, §5(b)(29), Jan. 4, 2011, 124 Stat. 3845.)

CODIFICATION

Another section 2410d was renumbered section 2410k of this title.

AMENDMENTS

2011—Subsec. (b)(2)(A). Pub. L. 111-350, §5(b)(29)(A), substituted “section 8501(7) of title 41” for “section 5(3) of the Javits-Wagner-O’Day Act (41 U.S.C. 48b(3))”.

Subsec. (b)(2)(B). Pub. L. 111-350, §5(b)(29)(B), substituted “disabled, as defined in section 8501(6) of title 41” for “handicapped, as defined in section 5(4) of such Act (41 U.S.C. 48b(4))”.

Subsec. (b)(2)(C). Pub. L. 111-350, §5(b)(29)(C), substituted “section 8503(c) of title 41” for “section 2(c) of such Act (41 U.S.C. 47(c))”.

1999—Subsec. (c). Pub. L. 106-65 struck out heading and text of subsec. (c). Text read as follows: “Subsection (a) shall cease to be effective at the end of September 30, 1999.”

1997—Subsec. (c). Pub. L. 105-85 substituted “September 30, 1999” for “September 30, 1997”.

1996—Subsec. (b)(3). Pub. L. 104-106 struck out par. (3) which read as follows: “The term ‘Javits-Wagner-O’Day Act’ means the Act entitled ‘An Act to create a Committee on Purchases of Blind-made Products, and for other purposes’, approved June 25, 1938 (41 U.S.C. 46-48c), commonly referred to as the Wagner-O’Day Act, that was revised and reenacted in the Act of June 23, 1971 (85 Stat. 77), commonly referred to as the Javits-Wagner-O’Day Act.”

1994—Subsec. (b)(2)(C). Pub. L. 103-337, §804(1)(A), added subpar. (C).

Subsec. (b)(3), (4). Pub. L. 103-337, §804(1)(B), (C), redesignated par. (4) as (3) and struck out former par. (3) which read as follows: “The terms ‘approved commodity’ and ‘approved service’ mean a commodity and a service, respectively, that has been determined by the Committee for Purchase from the Blind and Other Severely Handicapped under section 2 of such Act (41 U.S.C. 47) to be suitable for procurement by the Federal Government.”

Subsec. (c). Pub. L. 103-337, §804(2), substituted “September 30, 1997” for “September 30, 1994”.

EFFECTIVE DATE OF 1997 AMENDMENT

Section 835 of Pub. L. 105-85 provided that the amendment made by that section is effective as of Sept. 30, 1997.

EFFECTIVE DATE OF 1996 AMENDMENT

For effective date and applicability of amendment by Pub. L. 104-106, see section 4401 of Pub. L. 104-106, set out as a note under section 2302 of this title.

EFFECTIVE DATE

Section 808(c) of Pub. L. 102-484 provided that: “Sections 2301(d) and 2410d of title 10, United States Code (as added by subsections (a) and (b), respectively), shall take effect on October 1, 1993.”

CONTRACT PARTICIPATION BY AGENCIES FOR THE BLIND OR OTHER SEVERELY HANDICAPPED

Pub. L. 108-87, title VIII, §8025, Sept. 30, 2003, 117 Stat. 1077, provided that:

“(a) Of the funds for the procurement of supplies or services appropriated by this Act [see Tables for classification] and hereafter, qualified nonprofit agencies for the blind or other severely handicapped shall be afforded the maximum practicable opportunity to participate as subcontractors and suppliers in the performance of contracts let by the Department of Defense.

“(b) During the current fiscal year and hereafter, a business concern which has negotiated with a military service or defense agency a subcontracting plan for the participation by small business concerns pursuant to section 8(d) of the Small Business Act (15 U.S.C. 637(d)) shall be given credit toward meeting that subcontracting goal for any purchases made from qualified nonprofit agencies for the blind or other severely handicapped.

“(c) For the purpose of this section, the phrase ‘qualified nonprofit agency for the blind or other severely handicapped’ means a nonprofit agency for the blind or other severely handicapped that has been approved by the Committee for the Purchase from the Blind and Other Severely Handicapped under the Javits-Wagner-O’Day Act ([former] 41 U.S.C. 46-48(c) [now 41 U.S.C. 8501 et seq.].”

Similar provisions were contained in the following prior appropriation acts:

Pub. L. 107-248, title VIII, §8025, Oct. 23, 2002, 116 Stat. 1542.

Pub. L. 107-117, div. A, title VIII, §8028, Jan. 10, 2002, 115 Stat. 2253.

Pub. L. 106-259, title VIII, §8028, Aug. 9, 2000, 114 Stat. 680.

Pub. L. 106-79, title VIII, §8030, Oct. 25, 1999, 113 Stat. 1237.

Pub. L. 105-262, title VIII, §8030, Oct. 17, 1998, 112 Stat. 2303.

Pub. L. 105-56, title VIII, §8031, Oct. 8, 1997, 111 Stat. 1226.

Pub. L. 104-208, div. A, title I, §101(b) [title VIII, §8033], Sept. 30, 1996, 110 Stat. 3009-71, 3009-95.

Pub. L. 104-61, title VIII, §8042, Dec. 1, 1995, 109 Stat. 660.

Pub. L. 103-335, title VIII, §8048, Sept. 30, 1994, 108 Stat. 2628.

Pub. L. 103-139, title VIII, §8055, Nov. 11, 1993, 107 Stat. 1452.

Pub. L. 102-396, title IX, §9077, Oct. 6, 1992, 106 Stat. 1918.

Pub. L. 102-172, title VIII, §8082, Nov. 26, 1991, 105 Stat. 1190.

Pub. L. 101-511, title VIII, §8117, Nov. 5, 1990, 104 Stat. 1905.

[§ 2410e. Repealed. Pub. L. 103-355, title II, § 2301(b), Oct. 13, 1994, 108 Stat. 3321]

Section, added Pub. L. 102-484, div. A, title VIII, §813(a)(1), Oct. 23, 1992, 106 Stat. 2452, directed Secretary of Defense to propose, for inclusion in Federal Acquisition Regulation, regulations relating to certification of contract claims, requests for equitable adjustment to contract terms, and requests for relief under section 1431 et seq. of Title 50, War and National Defense, that exceeded \$100,000.

EFFECTIVE DATE OF REPEAL

For effective date and applicability of repeal, see section 10001 of Pub. L. 103-355, set out as an Effective Date of 1994 Amendment note under section 2302 of this title.

§ 2410f. Debarment of persons convicted of fraudulent use of “Made in America” labels

(a) If the Secretary of Defense determines that a person has been convicted of intentionally affixing a label bearing a “Made in America” inscription, or another inscription with the same meaning, to any product sold in or shipped to the United States that is not made in America, the Secretary shall determine, not later than 90 days after determining that the person has been so convicted, whether the person should be debarred from contracting with the Department of Defense.

(b) In this section, the term “debar” has the meaning given that term by section 2393(c) of this title.

(Added Pub. L. 102-484, div. A, title VIII, § 834(a)(1), Oct. 23, 1992, 106 Stat. 2461; amended Pub. L. 104-106, div. A, title X, § 1062(f), title XV, § 1503(a)(22), Feb. 10, 1996, 110 Stat. 444, 512; Pub. L. 107-107, div. A, title X, § 1048(a)(20), Dec. 28, 2001, 115 Stat. 1223.)

AMENDMENTS

2001—Subsec. (a). Pub. L. 107-107 inserted “, or another inscription with the same meaning,” after “inscription”.

1996—Subsec. (a). Pub. L. 104-106, § 1062(f), struck out at end “If the Secretary determines that the person should not be debarred, the Secretary shall submit to Congress a report on such determination not later than 30 days after the determination is made.”

Subsec. (b). Pub. L. 104-106, § 1503(a)(22), substituted “In” for “For purposes of”.

EFFECTIVE DATE OF 1992 AMENDMENT

Section 834(b) of Pub. L. 102-484 provided that: “Section 2410f of title 10, United States Code, as added by subsection (a), shall take effect 90 days after the date of the enactment of this Act [Oct. 23, 1992].”

PROHIBITION OF CONTRACTS

Pub. L. 106-398, § 1 [[div. A], title VIII, § 825(b)], Oct. 30, 2000, 114 Stat. 1654, 1654A-220, provided that: “If the Secretary of Defense determines that a person has been convicted of intentionally affixing a label bearing a ‘Made in America’ inscription, or another inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the Secretary shall determine, in accordance with section 2410f of title 10, United States Code, whether the person should be debarred from contracting with the Department of Defense.”

Similar provisions were contained in the following prior authorization acts:

Pub. L. 106-65, div. A, title VIII, § 816(b), Oct. 5, 1999, 113 Stat. 712.

Pub. L. 103-160, div. A, title VIII, § 849(b), Nov. 30, 1993, 107 Stat. 1725.

§ 2410g. Advance notification of contract performance outside the United States

(a) NOTIFICATION.—(1) A firm that is performing a Department of Defense contract for an amount exceeding \$10,000,000, or is submitting a bid or proposal for such a contract, shall notify the Department of Defense in advance of any in-

tention of the firm or any first-tier subcontractor of the firm to perform outside the United States and Canada any part of the contract that exceeds \$500,000 in value and could be performed inside the United States or Canada.

(2) If a firm submitting a bid or proposal for a Department of Defense contract is required to submit a notification under this subsection, and the firm is aware, at the time it submits its bid or proposal, that the firm intends to perform outside the United States and Canada any part of the contract that exceeds \$500,000 in value and could be performed inside the United States or Canada, the firm shall include the notification in its bid or proposal.

(3) The notification by a firm under paragraph (1) with respect to a first-tier subcontractor shall be made, to the maximum extent practicable, at least 30 days before award of the subcontract.

(b) RECIPIENT OF NOTIFICATION.—The firm shall transmit the notification—

(1) in the case of a contract of a military department, to such officer or employee of that military department as the Secretary of the military department may direct; and

(2) in the case of any other Department of Defense contract, to such officer or employee of the Department of Defense as the Secretary of Defense may direct.

(c) AVAILABILITY OF NOTIFICATIONS.—The Secretary of Defense shall ensure that the notifications (or copies) are maintained in compiled form for a period of 5 years after the date of submission and are available for use in the preparation of the national defense technology and industrial base assessment carried out under section 2505 of this title.

(d) INAPPLICABILITY TO CERTAIN CONTRACTS.—This section shall not apply to contracts for any of the following:

- (1) Commercial items (as defined in section 103 of title 41).
- (2) Military construction.
- (3) Ores.
- (4) Natural gas.
- (5) Utilities.
- (6) Petroleum products and crudes.
- (7) Timber.
- (8) Subsistence.

(Added Pub. L. 102-484, div. A, title VIII, § 840(a)(1), Oct. 23, 1992, 106 Stat. 2466; amended Pub. L. 104-106, div. D, title XLIII, § 4321(b)(16), Feb. 10, 1996, 110 Stat. 673; Pub. L. 111-350, § 5(b)(30), Jan. 4, 2011, 124 Stat. 3845.)

AMENDMENTS

2011—Subsec. (d)(1). Pub. L. 111-350 substituted “section 103 of title 41” for “section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12))”.

1996—Subsec. (d)(1). Pub. L. 104-106 inserted “(as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)))” before period at end.

EFFECTIVE DATE OF 1996 AMENDMENT

For effective date and applicability of amendment by Pub. L. 104-106, see section 4401 of Pub. L. 104-106, set out as a note under section 2302 of this title.

EFFECTIVE DATE OF 1992 AMENDMENT

Section 840(b) of Pub. L. 102-484 provided that: “Section 2410g of title 10, United States Code (as added by

subsection (a)), shall take effect 90 days after the date of the enactment of this Act [Oct. 23, 1992].”

[§ 2410h. Renumbered § 1747]

§ 2410i. Prohibition on contracting with entities that comply with the secondary Arab boycott of Israel

(a) **POLICY.**—Under section 3(5)(A) of the Export Administration Act of 1979 (50 U.S.C. App. 2402(5)(A)), it is the policy of the United States to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any other United States person.

(b) **PROHIBITION.**—(1) Consistent with the policy referred to in subsection (a), the Department of Defense may not award a contract for an amount in excess of the simplified acquisition threshold (as defined in section 134 of title 41) to a foreign entity unless that entity certifies to the Secretary of Defense that it does not comply with the secondary Arab boycott of Israel.

(2) In paragraph (1), the term “foreign entity” means a foreign person, a foreign company, or any other foreign entity.

(c) **WAIVER AUTHORITY.**—The Secretary of Defense may waive the prohibition in subsection (b) in specific instances when the Secretary determines that the waiver is necessary in the national security interests of the United States. Within 15 days after the end of each fiscal year, the Secretary shall submit to Congress a report identifying each contract for which a waiver was granted under this subsection during that fiscal year.

(d) **EXCEPTIONS.**—Subsection (b) does not apply—

(1) to contracts for consumable supplies, provisions, or services that are intended to be used for the support of United States forces or of allied forces in a foreign country; or

(2) to contracts pertaining to the use of any equipment, technology, data, or services for intelligence or classified purposes by the United States Government in the interests of national security or to the acquisition or lease of any such equipment, technology, data, or services by the United States Government in the interests of national security.

(Added Pub. L. 102-484, div. A, title XIII, § 1332(a), Oct. 23, 1992, 106 Stat. 2555; amended Pub. L. 111-350, §§ 4, 5(b)(31), Jan. 4, 2011, 124 Stat. 3841, 3845.)

AMENDMENTS

2011—Subsec. (b)(1). Pub. L. 111-350 substituted “simplified acquisition threshold (as defined in section 134 of title 41)” for “small purchase threshold (as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11)))”.

§ 2410j. Displaced contractor employees: assistance to obtain certification and employment as teachers or employment as teachers’ aides

(a) **ASSISTANCE PROGRAM.**—The Secretary of Defense may enter into a cooperative agreement with a defense contractor in order—

(1) to assist an eligible scientist or engineer employed by the contractor whose employment is terminated to obtain—

(A) certification or licensure as an elementary or secondary school teacher; or

(B) the credentials necessary to serve as a teacher’s aide; and

(2) to facilitate the employment of the scientist or engineer by a local educational agency that—

(A) is receiving a grant under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) as a result of having within its jurisdiction concentrations of children from low-income families; and

(B) is also experiencing a shortage of teachers or teachers’ aides.

(b) **ELIGIBLE DEFENSE CONTRACTORS.**—(1) The Secretary of Defense shall establish an application and selection process for the participation of defense contractors in a cooperative agreement authorized under subsection (a).

(2) The Secretary shall determine which defense contractors are eligible to participate in the placement program on the basis of applications submitted under subsection (c). The Secretary shall limit participation to those defense contractors or subcontractors that—

(A) produce goods or services for the Department of Defense pursuant to a defense contract or operate nuclear weapons manufacturing facilities for the Department of Energy; and

(B) have recently reduced operations, or are likely to reduce operations, due to the completion or termination of a defense contract or program or by reductions in defense spending.

(3) The Secretary shall give special consideration to defense contractors who are located in areas that have been hit particularly hard by reductions in defense spending.

(c) **DEFENSE CONTRACTOR APPLICATIONS.**—(1) A defense contractor desiring to enter into a cooperative agreement with the Secretary of Defense under subsection (a) shall submit an application to the Secretary containing the following:

(A) Evidence that the contractor has been, or is expected to be, adversely affected by the completion or termination of a defense contract or program or by reductions in defense spending.

(B) An explanation that scientists and engineers employed by the contractor have been terminated, laid off, or retired, or are likely to be terminated, laid off, or retired, as a result of the completion or termination of a defense contract or program or reductions in defense spending.

(C) A description of programs implemented or proposed by the contractor to assist these scientists and engineers.

(D) A commitment to help fund the costs associated with the placement program by paying 50 percent of the stipend provided under subsection (g) to an employee or former employee of the contractor selected to receive assistance under this section.

(2) Once a cooperative agreement is entered into under subsection (a) between the Secretary and the defense contractor, the contractor shall publicize the program and distribute applications to prospective participants, and assist the

prospective participants with the State screening process.

(d) **ELIGIBLE SCIENTISTS AND ENGINEERS.**—An individual shall be eligible for selection by the Secretary of Defense to receive assistance under this section if the individual—

(1) is employed or has been employed for not less than five years as a scientist or engineer with a private defense contractor that has entered into an agreement under subsection (a);

(2) has received—

(A) in the case of an individual applying for assistance for placement as an elementary or secondary school teacher, a baccalaureate or advanced degree from an accredited institution of higher education; or

(B) in the case of an individual applying for assistance for placement as a teacher's aide in an elementary or secondary school, an associate, baccalaureate, or advanced degree from an accredited institution of higher education or a junior or community college; and

(3) has been terminated or laid off (or received notice of termination or lay off) as a result of the completion or termination of a defense contract or program or reductions in defense spending; and

(4) satisfies such other criteria for selection as the Secretary may prescribe.

(e) **SELECTION OF PARTICIPANTS.**—(1) In selecting participants to receive assistance for placement as elementary or secondary school teachers, the Secretary shall give priority to individuals who—

(A) have educational, military, or employment experience in science, mathematics, or engineering and agree to seek employment as science, mathematics, or engineering teachers in elementary or secondary schools; or

(B) have educational, military, or employment experience in another subject area identified by the Secretary, in consultation with the Secretary of Education, as important for national educational objectives and agree to seek employment in that subject area in elementary or secondary schools.

(2) The Secretary may not select an individual under this section unless the Secretary has sufficient appropriations to carry out this section available at the time of the selection to satisfy the obligations to be incurred by the United States under this section with respect to that individual.

(f) **AGREEMENT.**—An individual selected under this section shall be required to enter into an agreement with the Secretary in which the participant agrees—

(1) to obtain, within such time as the Secretary may require, certification or licensure as an elementary or secondary school teacher or the necessary credentials to serve as a teacher's aide in an elementary or secondary school; and

(2) to accept—

(A) in the case of an individual selected for assistance for placement as a teacher, an offer of full-time employment as an elementary or secondary school teacher for not less than two school years with a local edu-

cational agency identified under section 1151(b)(2) of this title, as in effect on October 4, 1999, to begin the school year after obtaining that certification or licensure; or

(B) in the case of an individual selected for assistance for placement as a teacher's aide, an offer of full-time employment as a teacher's aide in an elementary or secondary school for not less than two school years with a local educational agency identified under section 1151(b)(3) of this title, as in effect on October 4, 1999, to begin the school year after obtaining the necessary credentials.

(g) **STIPEND FOR PARTICIPANTS.**—(1) The Secretary of Defense shall pay to each participant in the placement program a stipend in an amount equal to the lesser of—

(A) \$5,000; or

(B) the total costs of the type described in paragraphs (1), (2), (3), (8), and (9) of section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087*ll*) incurred by the participant while obtaining teacher certification or licensure or the necessary credentials to serve as a teacher's aide and employment as an elementary or secondary school teacher or teacher aide.

(2) A stipend provided under this section shall be taken into account in determining the eligibility of the participant for Federal student financial assistance provided under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

(h) **PLACEMENT OF PARTICIPANTS AS TEACHERS AND TEACHERS' AIDES.**—Subsections (h) through (k) of section 1151 of this title, as in effect on October 4, 1999, shall apply with respect to the placement as teachers and teachers' aides of individuals selected under this section.

(Added Pub. L. 102-484, div. D, title XLIV, §4443(a), Oct. 23, 1992, 106 Stat. 2732, §2410c; renumbered §2410j and amended Pub. L. 103-35, title II, §201(b)(1)(A), (g)(6), May 31, 1993, 107 Stat. 97, 100; Pub. L. 103-160, div. A, title XIII, §1331(c)(3), Nov. 30, 1993, 107 Stat. 1792; Pub. L. 103-382, title III, §391(b)(5), Oct. 20, 1994, 108 Stat. 4022; Pub. L. 104-106, div. A, title XV, §1503(a)(23), Feb. 10, 1996, 110 Stat. 512; Pub. L. 104-201, div. A, title V, §576(c), Sept. 23, 1996, 110 Stat. 2535; Pub. L. 106-398, §1 [[div. A], title X, §1087(a)(14)], Oct. 30, 2000, 114 Stat. 1654, 1654A-291.)

REFERENCES IN TEXT

The Elementary and Secondary Education Act of 1965, referred to in subsec. (a)(2)(A), is Pub. L. 89-10, Apr. 11, 1965, 79 Stat. 27, as amended. Title I of the Act is classified generally to subchapter I (§6301 et seq.) of chapter 70 of Title 20, Education. For complete classification of this Act to the Code, see Short Title note set out under section 6301 of Title 20 and Tables.

Section 1151 of this title, referred to in subsecs. (f)(2)(A), (B) and (h), was repealed by Pub. L. 106-65, div. A, title XVII, §1707(a)(1), Oct. 5, 1999, 113 Stat. 823, and a new section 1151 of this title was subsequently added by Pub. L. 109-364, §561(a).

The Higher Education Act of 1965, referred to in subsec. (g)(2), is Pub. L. 89-329, Nov. 8, 1965, 79 Stat. 1219, as amended. Title IV of the Act is classified generally to subchapter IV (§1070 et seq.) of chapter 28 of Title 20 and part C (§2751 et seq.) of subchapter I of chapter 34 of Title 42, The Public Health and Welfare. For com-

plete classification of this Act to the Code, see Short Title note set out under section 1001 of Title 20 and Tables.

AMENDMENTS

2000—Subsec. (f)(2). Pub. L. 106-398, §1 [[div. A], title X, §1087(a)(14)(A)], inserted “as in effect on October 4, 1999,” after “of this title,” in subpars. (A) and (B).

Subsec. (h). Pub. L. 106-398, §1 [[div. A], title X, §1087(a)(14)(B)], inserted “, as in effect on October 4, 1999,” after “of this title”.

1996—Subsec. (a)(2)(A). Pub. L. 104-106 substituted “6301” for “2701”.

Subsec. (f)(2)(A), (B). Pub. L. 104-201 substituted “two school years” for “five school years”.

1994—Subsec. (a)(2)(A). Pub. L. 103-382 struck out “chapter 1 of” after “grant under”.

1993—Pub. L. 103-35, §201(b)(1)(A), renumbered section 2410c of this title as this section.

Subsec. (f)(2)(A), (B). Pub. L. 103-160 substituted “five school years” for “two school years”.

Subsec. (f)(2)(B). Pub. L. 103-35, §201(g)(6), substituted “aide” for “aid” after “for placement as a teacher’s”.

EFFECTIVE DATE OF 1993 AMENDMENT

Amendment by Pub. L. 103-160 not applicable with respect to persons selected by Secretary of Defense before Nov. 30, 1993, to participate in teacher and teacher’s aide placement programs established pursuant to sections 1151, 1598, and 2410j of this title or agreements entered into by Secretary before such date with local educational agencies under such sections, see section 1331(h) of Pub. L. 103-160, set out as a note under section 1598 of this title.

SAVINGS PROVISION

Amendments by section 576 of Pub. L. 104-201 not to affect obligations under agreements entered into in accordance with section 1151, 1598, or 2410j of this title before Sept. 23, 1996, see section 576(d) of Pub. L. 104-201, set out as a note under section 1598 of this title.

§ 2410k. Defense contractors: listing of suitable employment openings with local employment service office

(a) REGULATIONS.—The Secretary of Defense shall promulgate regulations containing the requirement described in subsection (b) and such other provisions as the Secretary considers necessary to administer such requirement. Such regulations shall require that each contract described in subsection (c) shall contain a clause requiring the contractor to comply with such regulations.

(b) REQUIREMENT.—The regulations promulgated under this section shall require each contractor carrying out a contract described in subsection (c) to list immediately with the appropriate local employment service office, and where appropriate the Interstate Job Bank (established by the United States Employment Service), all of its suitable employment openings under such contract.

(c) COVERED CONTRACTS.—The regulations promulgated under this section shall apply to any contract entered into with the Department of Defense in an amount of \$500,000 or more.

(Added Pub. L. 102-484, div. D, title XLIV, §4470(a)(1), Oct. 23, 1992, 106 Stat. 2753, §2410d; renumbered §2410k and amended Pub. L. 103-35, title II, §§201(b)(1)(A), 202(a)(18)(A), May 31, 1993, 107 Stat. 97, 102.)

AMENDMENTS

1993—Pub. L. 103-35, §201(b)(1)(A), renumbered section 2410d of this title as this section.

Pub. L. 103-35, §202(a)(18)(A), made technical amendment to directory language of Pub. L. 102-484, which enacted this section.

EFFECTIVE DATE OF 1993 AMENDMENT

Amendment by section 202(a)(18)(A) of Pub. L. 103-35 applicable as if included in the enactment of Pub. L. 102-484, see section 202(b) of Pub. L. 103-35, set out as a note under section 155 of this title.

EFFECTIVE DATE OF 1992 AMENDMENT

Section 4470(b) of Pub. L. 102-484 provided that: “Section 2410d of title 10, United States Code, as added by subsection (a), shall apply with respect to contracts entered into beginning 120 days after the date of the enactment of this Act [Oct. 23, 1992].”

§ 2410l. Contracts for advisory and assistance services: cost comparison studies

(a) REQUIREMENT.—(1)(A) Before the Secretary of Defense enters into a contract described in subparagraph (B), the Secretary shall determine whether Department of Defense personnel have the capability to perform the services proposed to be covered by the contract.

(B) Subparagraph (A) applies to any contract of the Department of Defense for advisory and assistance services that is expected to have a value in excess of \$100,000.

(2) If the Secretary determines that Department of Defense personnel have the capability to perform the services to be covered by the contract, the Secretary shall conduct a study comparing the cost of performing the services with Department of Defense personnel and the cost of performing the services with contractor personnel.

(b) WAIVER.—The Secretary of Defense may, pursuant to guidelines prescribed by the Secretary, waive the requirement to perform a cost comparison study under subsection (a)(2) based on factors that are not related to cost.

(Added Pub. L. 103-337, div. A, title III, §363(a)(1), Oct. 5, 1994, 108 Stat. 2733.)

EFFECTIVE DATE

Section 363(c) of Pub. L. 103-337 provided that: “Section 2410l of title 10, United States Code, as added by subsection (a), shall take effect 180 days after the date of the enactment of this Act [Oct. 5, 1994].”

PROCEDURES FOR CONDUCT OF STUDIES

Section 363(b) of Pub. L. 103-337 provided that: “The Secretary of Defense shall prescribe the following procedures:

“(1) Procedures for carrying out a cost comparison study under subsection (a)(2) of section 2410l of title 10, United States Code, as added by subsection (a), which may contain a requirement that the cost comparison study include consideration of factors that are not related to cost, including the quality of the service required to be performed, the availability of Department of Defense personnel, the duration and recurring nature of the services to be performed, and the consistency of the workload.

“(2) Procedures for reviewing contracts entered into after a waiver under subsection (b) of such section to determine whether the contract is justified and sufficiently documented.”

§ 2410m. Retention of amounts collected from contractor during the pendency of contract dispute

(a) RETENTION OF FUNDS.—Notwithstanding sections 1552(a) and 3302(b) of title 31, any

amount, including interest, collected from a contractor as a result of a claim made by a military department or Defense Agency under chapter 71 of title 41, shall remain available in accordance with this section to pay—

(1) any settlement of the claim by the parties;

(2) any judgment rendered in the contractor's favor on an appeal of the decision on that claim to the Armed Services Board of Contract Appeals under section 7104(a) of title 41; or

(3) any judgment rendered in the contractor's favor in an action on that claim in a court of the United States.

(b) PERIOD OF AVAILABILITY.—(1) The period of availability of an amount under subsection (a), in connection with a claim—

(A) expires 180 days after the expiration of the period for bringing an action on that claim in the United States Court of Federal Claims under section 7104(b) of title 41 if, within that 180-day period—

(i) no appeal on the claim is commenced at the Armed Services Board of Contract Appeals under section 7 of such Act; and

(ii) no action on the claim is commenced in a court of the United States; or

(B) if not expiring under subparagraph (A), expires—

(i) in the case of a settlement of the claim, 180 days after the date of the settlement; or

(ii) in the case of a judgment rendered on the claim in an appeal to the Armed Services Board of Contract Appeals under section 7¹ of the Contract Disputes Act of 1978 or an action in a court of the United States, 180 days after the date on which the judgment becomes final and not appealable.

(2) While available under this section, an amount may be obligated or expended only for a purpose described in subsection (a).

(3) Upon the expiration of the period of availability of an amount under paragraph (1), the amount shall be covered into the Treasury as miscellaneous receipts.

(c) ANNUAL REPORT.—Not later than 60 days after the end of each fiscal year, the Under Secretary of Defense (Comptroller) shall submit to Congress a report on the amounts, if any, that are available for obligation pursuant to this section. The report shall include, at a minimum, the following:

(1) The total amount available for obligation at the end of such fiscal year.

(2) The total amount collected from contractors under this section during that fiscal year.

(3) The total amount disbursed under this section during that fiscal year and a description of the purpose for each disbursement.

(4) The total amount returned to the Treasury under this section during that fiscal year.

(Added Pub. L. 105-85, div. A, title VIII, §831(a), Nov. 18, 1997, 111 Stat. 1841; amended Pub. L. 108-136, div. A, title X, §1031(a)(21), Nov. 24, 2003, 117 Stat. 1598; Pub. L. 111-350, §5(b)(32), Jan. 4, 2011, 124 Stat. 3845.)

REFERENCES IN TEXT

Section 7 of the Contract Disputes Act of 1978, referred to in subsec. (b)(1)(B)(ii), means section 7 of Pub. L. 95-563, which was classified to section 606 of former Title 41, Public Contracts, and was repealed and restated as section 7104(a) of Title 41, Public Contracts, by Pub. L. 111-350, §§3, 7(b), Jan. 4, 2011, 124 Stat. 3677, 3855. For disposition of sections of former Title 41, see Disposition Table preceding section 101 of Title 41.

AMENDMENTS

2011—Subsec. (a). Pub. L. 111-350, §5(b)(32)(A), substituted “chapter 71 of title 41” for “the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq.)” in introductory provisions.

Subsec. (a)(2). Pub. L. 111-350, §5(b)(32)(B), substituted “section 7104(a) of title 41” for “section 7 of such Act (41 U.S.C. 606)”.

Subsec. (b)(1)(A). Pub. L. 111-350, §5(b)(32)(C), substituted “section 7104(b) of title 41” for “section 10(a) of the Contract Disputes Act of 1978 (41 U.S.C. 609(a))” in introductory provisions.

2003—Subsec. (c). Pub. L. 108-136, §1031(a)(21)(A), substituted “Annual Report” for “Reporting Requirement” in heading and “Not later than 60 days after the end of each fiscal year” for “Each year” in introductory provisions.

Subsec. (c)(1). Pub. L. 108-136, §1031(a)(21)(B), inserted “at the end of such fiscal year” before period at end.

Subsec. (c)(2). Pub. L. 108-136, §1031(a)(21)(C), substituted “under this section during that fiscal year” for “during the year preceding the year in which the report is submitted”.

Subsec. (c)(3). Pub. L. 108-136, §1031(a)(21)(D), substituted “under this section during that fiscal year” for “in such preceding year”.

Subsec. (c)(4). Pub. L. 108-136, §1031(a)(21)(E), substituted “under this section during that fiscal year” for “in such preceding year”.

§ 2410n. Products of Federal Prison Industries: procedural requirements

(a) PRODUCTS FOR WHICH FEDERAL PRISON INDUSTRIES DOES NOT HAVE SIGNIFICANT MARKET SHARE.—(1) Before purchasing a product listed in the latest edition of the Federal Prison Industries catalog under section 4124(d) of title 18 for which Federal Prison Industries does not have a significant market share, the Secretary of Defense shall conduct market research to determine whether the product is comparable to products available from the private sector that best meet the needs of the Department in terms of price, quality, and time of delivery.

(2) If the Secretary determines that a Federal Prison Industries product described in paragraph (1) is not comparable in price, quality, or time of delivery to products of the private sector that best meets the needs of the Department in terms of price, quality, and time of delivery, the Secretary shall use competitive procedures for the procurement of the product, or shall make an individual purchase under a multiple award contract in accordance with the competition requirements applicable to such contract. In conducting such a competition, the Secretary shall consider a timely offer from Federal Prison Industries.

(b) PRODUCTS FOR WHICH FEDERAL PRISON INDUSTRIES HAS SIGNIFICANT MARKET SHARE.—(1) The Secretary of Defense may purchase a product listed in the latest edition of the Federal Prison Industries catalog for which Federal Prison Industries has a significant market share

¹ See References in Text note below.

only if the Secretary uses competitive procedures for the procurement of the product or makes an individual purchase under a multiple award contract in accordance with the competition requirements applicable to such contract. In conducting such a competition, the Secretary shall consider a timely offer from Federal Prison Industries.

(2) For purposes of this subsection, Federal Prison Industries shall be treated as having a significant share of the market for a product if the Secretary, in consultation with the Administrator of Federal Procurement Policy, determines that the Federal Prison Industries share of the Department of Defense market for the category of products including such product is greater than 5 percent.

(c) IMPLEMENTATION BY SECRETARY OF DEFENSE.—The Secretary of Defense shall ensure that—

(1) the Department of Defense does not purchase a Federal Prison Industries product or service unless a contracting officer of the Department determines that the product or service is comparable to products or services available from the private sector that best meet the Department's needs in terms of price, quality, and time of delivery; and

(2) Federal Prison Industries performs its contractual obligations to the same extent as any other contractor for the Department of Defense.

(d) MARKET RESEARCH DETERMINATION NOT SUBJECT TO REVIEW.—A determination by a contracting officer regarding whether a product or service offered by Federal Prison Industries is comparable to products or services available from the private sector that best meet the Department's needs in terms of price, quality, and time of delivery shall not be subject to review pursuant to section 4124(b) of title 18.

(e) PERFORMANCE AS A SUBCONTRACTOR.—(1) A contractor or potential contractor of the Department of Defense may not be required to use Federal Prison Industries as a subcontractor or supplier of products or provider of services for the performance of a Department of Defense contract by any means, including means such as—

(A) a contract solicitation provision requiring a contractor to offer to make use of products or services of Federal Prison Industries in the performance of the contract;

(B) a contract specification requiring the contractor to use specific products or services (or classes of products or services) offered by Federal Prison Industries in the performance of the contract; or

(C) any contract modification directing the use of products or services of Federal Prison Industries in the performance of the contract.

(2) In this subsection, the term “contractor”, with respect to a contract, includes a subcontractor at any tier under the contract.

(f) PROTECTION OF CLASSIFIED AND SENSITIVE INFORMATION.—The Secretary of Defense may not enter into any contract with Federal Prison Industries under which an inmate worker would have access to—

(1) any data that is classified;

(2) any geographic data regarding the location of—

(A) surface and subsurface infrastructure providing communications or water or electrical power distribution;

(B) pipelines for the distribution of natural gas, bulk petroleum products, or other commodities; or

(C) other utilities; or

(3) any personal or financial information about any individual private citizen, including information relating to such person's real property however described, without the prior consent of the individual.

(g) DEFINITIONS.—In this section:

(1) The term “competitive procedures” has the meaning given such term in section 2302(2) of this title.

(2) The term “market research” means obtaining specific information about the price, quality, and time of delivery of products available in the private sector through a variety of means, which may include—

(A) contacting knowledgeable individuals in government and industry;

(B) interactive communication among industry, acquisition personnel, and customers; and

(C) interchange meetings or pre-solicitation conferences with potential offerors.

(Added Pub. L. 107–107, div. A, title VIII, §811(a)(1), Dec. 28, 2001, 115 Stat. 1180; amended Pub. L. 107–314, div. A, title VIII, §819(a)(1), Dec. 2, 2002, 116 Stat. 2612; Pub. L. 109–163, div. A, title X, §1056(c)(4), Jan. 6, 2006, 119 Stat. 3439; Pub. L. 110–181, div. A, title VIII, §827(a)(1), Jan. 28, 2008, 122 Stat. 228.)

AMENDMENTS

2008—Subsecs. (a), (b). Pub. L. 110–181 added subsecs. (a) and (b) and struck out former subsecs. (a) and (b) which read as follows:

“(a) MARKET RESEARCH.—Before purchasing a product listed in the latest edition of the Federal Prison Industries catalog under section 4124(d) of title 18, the Secretary of Defense shall conduct market research to determine whether the Federal Prison Industries product is comparable to products available from the private sector that best meet the Department's needs in terms of price, quality, and time of delivery.

“(b) COMPETITION REQUIREMENT.—If the Secretary determines that a Federal Prison Industries product is not comparable in price, quality, or time of delivery to products available from the private sector that best meet the Department's needs in terms of price, quality, and time of delivery, the Secretary shall use competitive procedures for the procurement of the product or shall make an individual purchase under a multiple award contract. In conducting such a competition or making such a purchase, the Secretary shall consider a timely offer from Federal Prison Industries.”

2006—Subsec. (b). Pub. L. 109–163 substituted “competition” for “competiton” in text.

2002—Subsec. (a). Pub. L. 107–314, §819(a)(1)(A), substituted “Market Research” for “Market Research Before Purchase” in heading and “comparable to products available from the private sector that best meet the Department's needs in terms of price, quality, and time of delivery” for “comparable in price, quality, and time of delivery to products available from the private sector”.

Subsec. (b). Pub. L. 107–314, §819(a)(1)(B), added subsec. (b) and struck out heading and text of former sub-

sec. (b). Text read as follows: “If the Secretary determines that a Federal Prison Industries product is not comparable in price, quality, and time of delivery to products available from the private sector, the Secretary shall use competitive procedures for the procurement of the product. In conducting such a competition, the Secretary shall consider a timely offer from Federal Prison Industries for award in accordance with the specifications and evaluation factors specified in the solicitation.”

Subsec. (c) to (g). Pub. L. 107-314, §819(a)(1)(C), added subsecs. (c) to (g).

EFFECTIVE DATE OF 2008 AMENDMENT

Pub. L. 110-181, div. A, title VIII, §827(a)(2), Jan. 28, 2008, 122 Stat. 228, as amended by Pub. L. 111-383, div. A, title X, §1075(f)(4), Jan. 7, 2011, 124 Stat. 4376, provided that: “The amendment made by paragraph (1) [amending this section] shall take effect 60 days after the date of the enactment of this Act [Jan. 28, 2008].”

EFFECTIVE DATE OF 2002 AMENDMENT

Pub. L. 107-314, div. A, title VIII, §819(a)(2), Dec. 2, 2002, 116 Stat. 2613, provided that: “Paragraph (1) [amending this section] and the amendments made by such paragraph shall take effect as of October 1, 2001.”

EFFECTIVE DATE

Pub. L. 107-107, div. A, title VIII, §811(b), Dec. 28, 2001, 115 Stat. 1181, provided that: “Section 2410n of title 10, United States Code (as added by subsection (a)), shall apply to purchases initiated on or after October 1, 2001.”

REGULATORY IMPLEMENTATION

Pub. L. 107-314, div. A, title VIII, §819(b), Dec. 2, 2002, 116 Stat. 2613, provided that:

“(1) Proposed revisions to the Department of Defense Supplement to the Federal Acquisition Regulation to implement this section shall be published not later than 90 days after the date of the enactment of this Act [Dec. 2, 2002], and not less than 60 days shall be provided for public comment on the proposed revisions.

“(2) Final regulations shall be published not later than 180 days after the date of the enactment of this Act and shall be effective on the date that is 30 days after the date of the publication.”

LIST OF PRODUCTS FOR WHICH FEDERAL PRISON INDUSTRIES HAS SIGNIFICANT MARKET SHARE

Pub. L. 110-181, div. A, title VIII, §827(b), Jan. 28, 2008, 122 Stat. 228, provided that:

“(1) INITIAL LIST.—Not later than 60 days after the date of the enactment of this Act [Jan. 28, 2008], the Secretary of Defense shall publish a list of product categories for which Federal Prison Industries’ share of the Department of Defense market is greater than 5 percent, based on the most recent fiscal year for which data is available.

“(2) MODIFICATION.—The Secretary may modify the list published under paragraph (1) at any time if the Secretary determines that new data require adding a product category to the list or omitting a product category from the list.

“(3) CONSULTATION.—The Secretary shall carry out this subsection in consultation with the Administrator for Federal Procurement Policy.”

§ 2410o. Multiyear procurement authority: purchase of dinitrogen tetroxide, hydrazine, and hydrazine-related products

(a) TEN-YEAR CONTRACT PERIOD.—The Secretary of Defense may enter into a contract for a period of up to 10 years for the purchase of dinitrogen tetroxide, hydrazine, and hydrazine-related products for the support of a United States national security program or a United States space program.

(b) EXTENSIONS.—A contract entered into for more than one year under the authority of subsection (a) may be extended for a total of not more than 10 years pursuant to any option or options set forth in the contract.

(Added Pub. L. 107-314, div. A, title VIII, §826(a), Dec. 2, 2002, 116 Stat. 2617.)

§ 2410p. Contracts: limitations on lead system integrators

(a) IN GENERAL.—Except as provided in subsection (b), no entity performing lead system integrator functions in the acquisition of a major system by the Department of Defense may have any direct financial interest in the development or construction of any individual system or element of any system of systems.

(b) EXCEPTION.—An entity described in subsection (a) may have a direct financial interest in the development or construction of an individual system or element of a system of systems if—

(1) the Secretary of Defense certifies to the Committees on Armed Services of the Senate and the House of Representatives that—

(A) the entity was selected by the Department of Defense as a contractor to develop or construct the system or element concerned through the use of competitive procedures; and

(B) the Department took appropriate steps to prevent any organizational conflict of interest in the selection process; or

(2) the entity was selected by a subcontractor to serve as a lower-tier subcontractor, through a process over which the entity exercised no control.

(c) CONSTRUCTION.—Nothing in this section shall be construed to preclude an entity described in subsection (a) from performing work necessary to integrate two or more individual systems or elements of a system of systems with each other.

(Added Pub. L. 109-364, div. A, title VIII, §807(a)(1), Oct. 17, 2006, 120 Stat. 2315.)

EFFECTIVE DATE

Pub. L. 109-364, div. A, title VIII, §807(a)(3), Oct. 17, 2006, 120 Stat. 2316, provided that: “Section 2410p of title 10, United States Code, as added by paragraph (1), shall apply with respect to contracts entered into after December 31, 2006.”

UPDATE OF REGULATIONS ON LEAD SYSTEM INTEGRATORS

Pub. L. 109-364, div. A, title VIII, §807(b), Oct. 17, 2006, 120 Stat. 2316, provided that: “Not later than December 31, 2006, the Secretary of Defense shall update the acquisition regulations of the Department of Defense in order to specify fully in such regulations the matters with respect to lead system integrators set forth in section 805(b) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163; 119 Stat. 3372) and the amendments made by subsection (a) [enacting this section].”

PROHIBITION ON NEW LEAD SYSTEMS INTEGRATORS

Pub. L. 110-181, div. A, title VIII, §802, Jan. 28, 2008, 122 Stat. 206, as amended by Pub. L. 110-417, [div. A], title I, §112, Oct. 14, 2008, 122 Stat. 4374, provided that: “(a) PROHIBITIONS ON THE USE OF LEAD SYSTEMS INTEGRATORS.—

“(1) PROHIBITION ON NEW LEAD SYSTEMS INTEGRATORS.—Effective October 1, 2010, the Department of Defense may not award a new contract for lead systems integrator functions in the acquisition of a major system to any entity that was not performing lead systems integrator functions in the acquisition of the major system prior to the date of the enactment of this Act [Jan. 28, 2008].

“(2) PROHIBITION ON LEAD SYSTEMS INTEGRATORS BEYOND LOW-RATE INITIAL PRODUCTION.—Effective on the date of the enactment of this Act, the Department of Defense may award a new contract for lead systems integrator functions in the acquisition of a major system only if—

“(A) the major system has not yet proceeded beyond low-rate initial production; or

“(B) the Secretary of Defense determines in writing that it would not be practicable to carry out the acquisition without continuing to use a contractor to perform lead systems integrator functions and that doing so is in the best interest of the Department.

“(3) REQUIREMENTS RELATING TO DETERMINATIONS.—A determination under paragraph (2)(B)—

“(A) shall specify the reasons why it would not be practicable to carry out the acquisition without continuing to use a contractor to perform lead systems integrator functions (including a discussion of alternatives, such as the use of the Department of Defense workforce, or a system engineering and technical assistance contractor);

“(B) shall include a plan for phasing out the use of contracted lead systems integrator functions over the shortest period of time consistent with the interest of the national defense;

“(C) may not be delegated below the level of the Under Secretary of Defense for Acquisition, Technology, and Logistics; and

“(D) shall be provided to the Committees on Armed Services of the Senate and the House of Representatives at least 45 days before the award of a contract pursuant to the determination.

“(b) ACQUISITION WORKFORCE.—

“(1) REQUIREMENT.—The Secretary of Defense shall ensure that the acquisition workforce is of the appropriate size and skill level necessary—

“(A) to accomplish inherently governmental functions related to acquisition of major systems; and

“(B) to effectuate the purpose of subsection (a) to minimize and eventually eliminate the use of contractors to perform lead systems integrator functions.

“(2) REPORT.—The Secretary shall include an update on the progress made in complying with paragraph (1) in the annual report required by section 820 of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364; 120 Stat. 2330) [10 U.S.C. 1701 note].

“(c) EXCEPTION FOR CONTRACTS FOR OTHER MANAGEMENT SERVICES.—The Department of Defense may continue to award contracts for the procurement of services the primary purpose of which is to perform acquisition support functions with respect to the development or production of a major system, if the following conditions are met with respect to each such contract:

“(1) The contract prohibits the contractor from performing inherently governmental functions.

“(2) The Department of Defense organization responsible for the development or production of the major system ensures that Federal employees are responsible for—

“(A) determining courses of action to be taken in the best interest of the government; and

“(B) determining best technical performance for the warfighter.

“(3) The contract requires that the prime contractor for the contract may not advise or recommend the award of a contract or subcontract for the development or production of the major system to an en-

tity owned in whole or in part by the prime contractor.

“(d) DEFINITIONS.—In this section:

“(1) LEAD SYSTEMS INTEGRATOR.—The term ‘lead systems integrator’ means—

“(A) a prime contractor for the development or production of a major system, if the prime contractor is not expected at the time of award to perform a substantial portion of the work on the system and the major subsystems; or

“(B) a prime contractor under a contract for the procurement of services the primary purpose of which is to perform acquisition functions closely associated with inherently governmental functions with respect to the development or production of a major system.

“(2) MAJOR SYSTEM.—The term ‘major system’ has the meaning given such term in section 2302d of title 10, United States Code.

“(3) LOW-RATE INITIAL PRODUCTION.—The term ‘low-rate initial production’ has the meaning given such term in section 2400 of title 10, United States Code.

“(e) STATUS OF FUTURE COMBAT SYSTEMS PROGRAM LEAD SYSTEM INTEGRATOR.—

“(1) LEAD SYSTEMS INTEGRATOR.—In the case of the Future Combat Systems program, the prime contractor of the program shall be considered to be a lead systems integrator until 45 days after the Secretary of the Army certifies in writing to the congressional defense committees [Committees on Armed Services and Appropriations of the Senate and the House of Representatives] that such contractor is no longer serving as the lead systems integrator.

“(2) NEW CONTRACTS.—In applying subsection (a)(1) or (a)(2), any modification to the existing contract for the Future Combat Systems program, for the purpose of entering into full-rate production of major systems or subsystems, shall be considered a new contract.”

§ 2410q. Multiyear contracts: purchase of electricity from renewable energy sources

(a) MULTIYEAR CONTRACTS AUTHORIZED.—Subject to subsection (b), the Secretary of Defense may enter into a contract for a period not to exceed 10 years for the purchase of electricity from sources of renewable energy, as that term is defined in section 203(b)(2) of the Energy Policy Act of 2005 (42 U.S.C. 15852(b)(2)).

(b) LIMITATIONS ON CONTRACTS FOR PERIODS IN EXCESS OF FIVE YEARS.—The Secretary may exercise the authority in subsection (a) to enter into a contract for a period in excess of five years only if the Secretary determines, on the basis of a business case analysis prepared by the Department of Defense, that—

(1) the proposed purchase of electricity under such contract is cost effective for the Department of Defense; and

(2) it would not be possible to purchase electricity from the source in an economical manner without the use of a contract for a period in excess of five years.

(c) RELATIONSHIP TO OTHER MULTIYEAR CONTRACTING AUTHORITY.—Nothing in this section shall be construed to preclude the Department of Defense from using other multiyear contracting authority of the Department to purchase renewable energy.

(Added Pub. L. 110-181, div. A, title VIII, § 828(a), Jan. 28, 2008, 122 Stat. 229.)

CHAPTER 142—PROCUREMENT TECHNICAL ASSISTANCE COOPERATIVE AGREEMENT PROGRAM

Sec.	
2411.	Definitions.
2412.	Purposes.
2413.	Cooperative agreements.
2414.	Limitation.
2415.	Distribution.
2416.	Subcontractor information.
2417.	Administrative costs.
2418.	Authority to provide certain types of technical assistance.
2419.	Regulations.

AMENDMENTS

1993—Pub. L. 103-35, title II, §201(d)(2), May 31, 1993, 107 Stat. 99, made technical amendment to items 2418 and 2419.

1992—Pub. L. 102-484, div. D, title XLII, §4236(a)(2), Oct. 23, 1992, 106 Stat. 2691, added item 2418 and redesignated former item 2418 as 2419.

1990—Pub. L. 101-510, div. A, title VIII, §814(a)(2), Nov. 5, 1990, 104 Stat. 1597, added item 2417 and redesignated former item 2417 as 2418.

1986—Pub. L. 99-500, §101(c) [title X, §957(a)(2)], Oct. 18, 1986, 100 Stat. 1783-82, 1783-175, and Pub. L. 99-591, §101(c) [title X, §957(a)(2)], Oct. 30, 1986, 100 Stat. 3341-82, 3341-175; Pub. L. 99-661, div. A, title IX, formerly title IV, §957(a)(2), Nov. 14, 1986, 100 Stat. 3955, renumbered title IX, Pub. L. 100-26, §3(5), Apr. 21, 1987, 101 Stat. 273, amended analysis identically adding item 2416 and redesignating former item 2416 as 2417.

§ 2411. Definitions

In this chapter:

(1) The term “eligible entity” means any of the following:

- (A) A State.
- (B) A local government.
- (C) A private, nonprofit organization.

(D) A tribal organization, as defined in section 4(l) of the Indian Self-Determination and Education Assistance Act (Public Law 93-638; 25 U.S.C. 450b(l)), or an economic enterprise, as defined in section 3(e) of the Indian Financing Act of 1974 (Public Law 93-262; 25 U.S.C. 1452(e)), whether or not such economic enterprise is organized for profit purposes or nonprofit purposes.

(2) The term “distressed area” means—

(A) the area of a unit of local government (or such area excluding the area of any defined political jurisdiction within the area of such unit of local government) that—

- (i) has a per capita income of 80 percent or less of the State average; or
- (ii) has an unemployment rate that is one percent greater than the national average for the most recent 24-month period for which statistics are available; or

(B) a reservation, as defined in section 3(d) of the Indian Financing Act of 1974 (Public Law 93-262; 25 U.S.C. 1452(d)).

(3) The term “Secretary” means the Secretary of Defense acting through the Director of the Defense Logistics Agency.

(4) The terms “State” and “local government” have the meaning given those terms in section 6302 of title 31.

(Added Pub. L. 98-525, title XII, §1241(a)(1), Oct. 19, 1984, 98 Stat. 2605; amended Pub. L. 99-145,

title IX, §919(a), Nov. 8, 1985, 99 Stat. 691; Pub. L. 99-500, §101(c) [title X, §956(a)], Oct. 18, 1986, 100 Stat. 1783-82, 1783-174, and Pub. L. 99-591, §101(c) [title X, §956(a)], Oct. 30, 1986, 100 Stat. 3341-82, 3341-174; Pub. L. 99-661, div. A, title IX, formerly title IV, §956(a), Nov. 14, 1986, 100 Stat. 3954, renumbered title IX, Pub. L. 100-26, §3(5), Apr. 21, 1987, 101 Stat. 273; Pub. L. 100-180, div. A, title VIII, §807(b), Dec. 4, 1987, 101 Stat. 1128; Pub. L. 100-456, div. A, title VIII, §841(b)(2), Sept. 29, 1988, 102 Stat. 2025; Pub. L. 101-189, div. A, title VIII, §853(e), Nov. 29, 1989, 103 Stat. 1519; Pub. L. 102-25, title VII, §701(j)(5), Apr. 6, 1991, 105 Stat. 116; Pub. L. 102-484, div. A, title X, §1052(31), Oct. 23, 1992, 106 Stat. 2501.)

CODIFICATION

Pub. L. 99-591 is a corrected version of Pub. L. 99-500.

AMENDMENTS

1992—Par. (1)(D). Pub. L. 102-484 substituted “organized for profit purposes or nonprofit purposes” for “organized for-profit, or nonprofit purposes”.

1991—Par. (1)(D). Pub. L. 102-25, which directed the substitution of “for profit purposes or nonprofit” for “for-profit and nonprofit”, could not be executed because the words “for-profit and nonprofit” did not appear.

1989—Par. (1)(D). Pub. L. 101-189 substituted “section 4(l)” for “section 4(c)” and “25 U.S.C. 450b(l)” for “25 U.S.C. 450(c)”.

1988—Par. (1)(D). Pub. L. 100-456 inserted “, whether or not such economic enterprise is organized for-profit, or nonprofit purposes” before period at end.

1987—Par. (1)(D). Pub. L. 100-180, §807(b)(1), added subpar. (D).

Par. (2). Pub. L. 100-180, §807(b)(2), substituted “means—” for “means”, designated existing text beginning with “the area of a unit” as subpar. (A), redesignated former subpars. (A) and (B) as cls. (i) and (ii), respectively, substituted “are available; or” for “are available.”, and added subpar. (B).

1986—Pub. L. 99-500, Pub. L. 99-591, and Pub. L. 99-661 amended section generally identically, striking out in par. (1) reference to section 6302(5) and 6302(2) of title 31, in par. (2) substituting “The term ‘distressed area’ means the area of a unit of local government (or such area excluding the area of any defined political jurisdiction within the area of such unit of local government)” for “‘Distressed entity’ means an eligible entity (within the meaning of paragraph (1)(B))”, and adding par. (4).

1985—Pub. L. 99-145 amended section generally. Prior to amendment, section read as follows: “In this chapter:

“(1) ‘Eligible entity’ means a State (as defined in section 6302(5) of title 31), a local government (as defined in section 6302(2) of that title), or a private, nonprofit organization that enters into a cooperative agreement with the Secretary under this chapter to furnish procurement technical assistance to business entities and to defray at least one-half of the costs of furnishing such assistance.

“(2) ‘Secretary’ means the Secretary of Defense acting through the Director of the Defense Logistics Agency.”

EFFECTIVE DATE OF 1985 AMENDMENT

Section 919(d) of Pub. L. 99-145 provided that: “The amendments made by subsections (a) and (b) [amending this section and sections 2412 to 2415 of this title] shall take effect on October 1, 1985.”

§ 2412. Purposes

The purposes of the program authorized by this chapter are—