

(A) there has been a schedule change that will cause a delay of more than six months but less than a year in any program schedule milestone or significant event from the schedule originally submitted to Congress under paragraph (1) or (2) of section 2445b(b) of this title;

(B) the estimated program development cost or full life-cycle cost for the program has increased by at least 15 percent, but less than 25 percent, over the original estimate submitted to Congress under paragraph (3) of section 2445b(b) of this title; or

(C) there has been a significant, adverse change in the expected performance of the major automated information system to be acquired under the program from the parameters originally submitted to Congress under paragraph (4) of section 2445b(b) of this title.

(d) **REPORT ON CRITICAL CHANGES IN PROGRAM.**—

(1) **IN GENERAL.**—If, based on a quarterly report submitted by the program manager of a major automated information system program pursuant to subsection (a), the senior Department of Defense official responsible for the program makes a determination described in paragraph (2), the official shall, not later than 60 days after receiving such report—

(A) carry out an evaluation of the program under subsection (e); and

(B) submit, through the Secretary of Defense, to the congressional defense committees a report meeting the requirements of subsection (f).

(2) **COVERED DETERMINATION.**—A determination described in this paragraph with respect to a major automated information system program is a determination that—

(A) the system failed to achieve initial operational capability within five years of milestone A approval;

(B) there has been a schedule change that will cause a delay of one year or more in any program schedule milestone or significant event from the schedule originally submitted to Congress under paragraph (1) or (2) of section 2445b(b) of this title;

(C) the estimated program development cost or full life-cycle cost for the program has increased by 25 percent or more over the original estimate submitted to Congress under paragraph (3) of section 2445b(b) of this title; or

(D) there has been a change in the expected performance of the major automated information system to be acquired under the program that will undermine the ability of the system to perform the functions anticipated at the time information on the program was originally submitted to Congress under section 2445b(b) of this title.

(e) **PROGRAM EVALUATION.**—The evaluation of a major automated information system program conducted under this subsection for purposes of subsection (d)(1)(A) shall include an assessment of—

(1) the projected cost and schedule for completing the program if current requirements are not modified;

(2) the projected cost and schedule for completing the program based on reasonable modification of such requirements; and

(3) the rough order of magnitude of the cost and schedule for any reasonable alternative system or capability.

(f) **REPORT ON CRITICAL PROGRAM CHANGES.**—A report on a major automated information system program conducted under this subsection for purposes of subsection (d)(1)(B) shall include a written certification (with supporting explanation) stating that—

(1) the automated information system to be acquired under the program is essential to the national security or to the efficient management of the Department of Defense;

(2) there is no alternative to the system which will provide equal or greater capability at less cost;

(3) the new estimates of the costs, schedule, and performance parameters with respect to the program and system are reasonable; and

(4) the management structure for the program is adequate to manage and control program costs.

(g) **PROHIBITION ON OBLIGATION OF FUNDS.**—(1) If the determination of a critical change to a program is made by the senior Department official responsible for the program under subsection (d)(2) and a report is not submitted to Congress within the 60-day period provided by subsection (d)(1), appropriated funds may not be obligated for any major contract under the program.

(2) The prohibition on the obligation of funds for a program under paragraph (1) shall cease to apply on the date on which Congress has received a report in compliance with the requirements of subsection (d)(2).

(Added Pub. L. 109-364, div. A, title VIII, §816(a)(1), Oct. 17, 2006, 120 Stat. 2324.)

§2445d. Construction with other reporting requirements

In the case of a major automated information system program covered by this chapter that is also treatable as a major defense acquisition program for which reports would be required under chapter 144 of this title, no reports on the program are required under such chapter if the requirements of this chapter with respect to the program are met.

(Added Pub. L. 109-364, div. A, title VIII, §816(a)(1), Oct. 17, 2006, 120 Stat. 2326.)

CHAPTER 145—CATALOGING AND STANDARDIZATION

Sec.	
2451.	Defense supply management.
2452.	Duties of Secretary of Defense.
2453.	Supply catalog: distribution and use.
2454.	Supply catalog: new or obsolete items.
[2455.]	Repealed.]
2456.	Coordination with General Services Administration.
2457.	Standardization of equipment with North Atlantic Treaty Organization members.
2458.	Inventory management policies.

AMENDMENTS

1990—Pub. L. 101-510, div. A, title III, §323(a)(2), title XIII, §1331(6), Nov. 5, 1990, 104 Stat. 1530, 1673, struck

out item 2455 “Reports to Congress” and added item 2458.

1982—Pub. L. 97-295, §1(30)(B), Oct. 12, 1982, 96 Stat. 1296, added item 2457.

§ 2451. Defense supply management

(a) The Secretary of Defense shall develop a single catalog system and related program of standardizing supplies for the Department of Defense.

(b) In cataloging, the Secretary shall name, describe, classify, and number each item recurrently used, bought, stocked, or distributed by the Department of Defense, so that only one distinctive combination of letters or numerals, or both, identifies the same item throughout the Department of Defense. Only one identification may be used for each item for all supply functions from purchase to final disposal in the field or other area. The catalog may consist of a number of volumes, sections, or supplements. It shall include all items of supply and, for each item, information needed for supply operations, such as descriptive and performance data, size, weight, cubage, packaging and packing data, a standard quantitative unit of measurement, and other related data that the Secretary determines to be desirable.

(c) In standardizing supplies the Secretary shall, to the highest degree practicable—

(1) standardize items used throughout the Department of Defense by developing and using single specifications, eliminating overlapping and duplicate specifications, and reducing the number of sizes and kinds of items that are generally similar;

(2) standardize the methods of packing, packaging, and preserving such items; and

(3) make efficient use of the services and facilities for inspecting, testing, and accepting such items.

(d) The Secretary shall coordinate with the Administrator of General Services to enable the use of commercial identifiers for commercial items within the Federal cataloging system.

(Aug. 10, 1956, ch. 1041, 70A Stat. 138; Pub. L. 85-861, §33(a)(13), Sept. 2, 1958, 72 Stat. 1565; Pub. L. 108-136, div. A, title III, §341, Nov. 24, 2003, 117 Stat. 1448.)

HISTORICAL AND REVISION NOTES
1956 ACT

Revised section	Source (U.S. Code)	Source (Statutes at Large)
2451(a)	5:173.	July 1, 1952, ch. 539, §2.
2451(b)	5:173b(a).	4, 66 Stat. 318, 319; 1953
2451(c)	5:173b(b).	Reorg. Plan No. 6, §1(a) (as applicable to Defense Supply Management Agency), eff. June 30, 1953, 67 Stat. 638.

In subsection (a), the words “for the Department of Defense” are inserted for clarity. 5:173 (1st sentence) is omitted as impliedly repealed by section 2 of 1953 Reorganization Plan No. 6, effective June 30, 1953, 67 Stat. 638.

In subsection (b), the words “or any of the departments thereof”, “in such manner”, “original”, and “necessary or” are omitted as surplusage. The words “throughout the Department of Defense” are substituted for the words “either within a bureau or service, between bureaus or services, or between the depart-

ments”. The word “recurrently” is substituted for the word “repetitively”. The words “Only one identification may” are substituted for the words “The single item identification shall”.

In subsection (c), the words “the most” are omitted as surplusage. The words “to the highest degree practicable” are substituted for the words “achieve the highest practicable degree possible” and “The greatest practicable degree of standardization * * * shall be achieved”.

1958 ACT

The change makes clear that clauses (2) and (3) apply to all items, whether or not standardized, used throughout the Department of Defense.

AMENDMENTS

2003—Subsec. (d). Pub. L. 108-136 added subsec. (d).

1958—Subsec. (c). Pub. L. 85-861 substituted “such” for “standardized” in cl. (2), and “such” for “those” in cl. (3).

EFFECTIVE DATE OF 1958 AMENDMENT

Amendment of section by Pub. L. 85-861 effective Aug. 10, 1956, see section 33(g) of Pub. L. 85-861, set out as a note under section 101 of this title.

DEFENSE-WIDE ELECTRONIC MALL SYSTEM FOR SUPPLY PURCHASES

Pub. L. 105-261, div. A, title III, §332, Oct. 17, 1998, 112 Stat. 1968, provided that:

“(a) ELECTRONIC MALL SYSTEM DEFINED.—In this section, the term ‘electronic mall system’ means an electronic system for displaying, ordering, and purchasing supplies and materiel available from sources within the Department of Defense and from the private sector.

“(b) DEVELOPMENT AND MANAGEMENT.—(1) Using systems and technology available in the Department of Defense as of the date of the enactment of this Act [Oct. 17, 1998], the Joint Electronic Commerce Program Office of the Department of Defense shall develop a single, defense-wide electronic mall system, which shall provide a single, defense-wide electronic point of entry and a single view, access, and ordering capability for all Department of Defense electronic catalogs. The Secretary of each military department and the head of each Defense Agency shall provide to the Joint Electronic Commerce Program Office the necessary and requested data to ensure compliance with this paragraph.

“(2) The Defense Logistics Agency, under the direction of the Joint Electronic Commerce Program Office, shall be responsible for maintaining the defense-wide electronic mall system developed under paragraph (1).

“(c) ROLE OF CHIEF INFORMATION OFFICER.—The Chief Information Officer of the Department of Defense shall be responsible for—

“(1) overseeing the elimination of duplication and overlap among Department of Defense electronic catalogs; and

“(2) ensuring that such catalogs utilize technologies and formats compliant with the requirements of subsection (b).

“(d) IMPLEMENTATION.—Within 180 days after the date of the enactment of this Act, the Chief Information Officer shall develop and provide to the congressional defense committees [Committees on Armed Services and Appropriations of Senate and House of Representatives]—

“(1) an inventory of all existing and planned electronic mall systems in the Department of Defense; and

“(2) a schedule for ensuring that each such system is compliant with the requirements of subsection (b).”

STANDARDIZATION AND INTEROPERABILITY OF NATO WEAPONS

Pub. L. 94-361, title VIII, §803, July 14, 1976, 90 Stat. 930, which expressed the sense of Congress that the

weapons systems of the NATO Allies be standardized and interoperable, that this goal would be facilitated by inter-allied procurement of arms and closer intra-European collaboration in arms procurement, and directed the Secretary of Defense to negotiate with the Allies toward these ends and to report to Congress on actions and programs undertaken to achieve them, was repealed and restated in section 2457 of this title by Pub. L. 97-295, §§1(30)(A), 6(b), Oct. 12, 1982, 96 Stat. 1294, 1314.

Pub. L. 94-106, title VIII, §814(a), (b), Oct. 7, 1975, 89 Stat. 540, as amended by Pub. L. 94-361, title VIII, §802, July 14, 1976, 90 Stat. 930, which had provided that it was the policy of the United States that the equipment of our armed forces in Europe be standardized or at least interoperable with that of our NATO Allies, directed the Secretary of Defense to carry out procurement policies toward this end and to report to Congress on any agreements with the Allies involving exchange of equipment manufactured in the United States for equipment manufactured outside it, authorized the Secretary to find such agreements contrary to the public interest and required him to report on the procurement of any major weapons system not in accord with these policies, was repealed and restated in section 2457 of this title by Pub. L. 97-295, §§1(30)(A), 6(b), Oct. 12, 1982, 96 Stat. 1294, 1314.

Pub. L. 93-365, title III, §302(c), Aug. 5, 1974, 88 Stat. 402, as amended by Pub. L. 94-106, title VIII, §814(c), Oct. 7, 1975, 89 Stat. 540; Pub. L. 97-252, title XI, §1121, Sept. 8, 1982, 96 Stat. 754, which had directed the Secretary of Defense to assess the costs and possible loss of effectiveness from the failure of the NATO Allies to standardize equipment, to suggest standardization actions, and to report these matters to the Allies and Congress and to Congress annually on them and results obtained with the Allies, was repealed and restated in section 2457 of this title by Pub. L. 97-295, §§1(30)(A), 6(b), Oct. 12, 1982, 96 Stat. 1294, 1314.

§ 2452. Duties of Secretary of Defense

The Secretary of Defense shall—

(1) develop and maintain the supply catalog, and the standardization program, described in section 2451 of this title;

(2) direct and coordinate progressive use of the supply catalog in all supply functions within the Department of Defense from the determination of requirements through final disposal;

(3) direct, review, and approve—

(A) the naming, description, and pattern of description of all items;

(B) the screening, consolidation, classification, and numbering of descriptions of all items; and

(C) the publication and distribution of the supply catalog;

(4) maintain liaison with industry advisory groups to coordinate the development of the supply catalog and the standardization program with the best practices of industry and to obtain the fullest practicable cooperation and participation of industry in developing the supply catalog and the standardization program;

(5) establish, publish, review, and revise, within the Department of Defense, military specifications, standards, and lists of qualified products, and resolve differences between the military departments, bureaus, and services with respect to them;

(6) assign responsibility for parts of the cataloging and the standardization programs to the military departments, bureaus, and serv-

ices within the Department of Defense, when practical and consistent with their capacity and interest in those supplies;

(7) establish time schedules for assignments made under clause (6); and

(8) make final decisions in all matters concerned with the cataloging and standardization programs.

(Aug. 10, 1956, ch. 1041, 70A Stat. 139.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
2452	5:173c.	July 1, 1952, ch. 539, §5, 66 Stat. 319; 1953 Reorg. Plan No. 6, §1(a) (as applicable to Defense Supply Management Agency), eff. June 30, 1953, 67 Stat. 638.

In clause (1), the word “establish” is omitted as surplusage.

In clause (2), the words “provided for herein” and “its departments, bureaus, and services” are omitted as surplusage.

In clauses (2) and (3), the words “provide for” are omitted as surplusage.

In clause (4), the words “establish and” and “established by sections 173-173i of this title” are omitted as surplusage.

In clause (5), the words “amend” and “promulgate” are omitted as surplusage.

In clause (6), the words “established by sections 173-173i of this title” are omitted as surplusage.

Clause (7) is substituted for 5:173c(f) (last 11 words).

In clause (8), the word “programs” is substituted for the words “authority established in sections 173-173i of this title”. The words “subject to review and modification by the Secretary of Defense” are omitted as surplusage.

REGULATIONS RELATING TO INCREASES IN PRICES FOR SPARE PARTS AND REPLACEMENT EQUIPMENT

Pub. L. 98-94, title XII, §1215, Sept. 24, 1983, 97 Stat. 688, as amended by Pub. L. 98-525, title XII, §1244, Oct. 19, 1984, 98 Stat. 2609; Pub. L. 103-35, title II, §204(b), May 31, 1993, 107 Stat. 102, provided that:

“(a) Not later than 120 days after the date of the enactment of this Act [Sept. 24, 1983], the Secretary of Defense shall issue regulations which—

“(1) except as provided in clause (2), prohibit the purchase of any spare part or replacement equipment when the price of such part or equipment, since a time in the past specified by the Secretary (in terms of days or months) or since the most recent purchase of such part or equipment by the Department of Defense, has increased in price by a percentage in excess of a percentage threshold specified by the Secretary in such regulations, and

“(2) permit the purchase of such spare part or equipment (notwithstanding the prohibition contained in clause (1)) if the contracting officer for such part or equipment certifies in writing to the head of the procuring activity before the purchase is made that—

“(A) such officer has evaluated the price of such part or equipment and concluded that the increase in the price of such part or equipment is fair and reasonable, or

“(B) the national security interests of the United States require that such part or equipment be purchased despite the increase in price of such part or equipment.

“(b)(1) The Secretary shall publish the regulations issued under this section in the Federal Register.

“(2) The Secretary may provide in such regulations for the waiver of the prohibition in subsection (a)(1) and compliance with the requirements of subsection

(a)(2) in the case of a purchase of any spare part or replacement equipment made or to be made through competitive procedures.

“(c) Not less than 30 days before the Secretary publishes such regulations in accordance with subsection (b), the Secretary shall submit the text of the proposed regulations to the Committees on Armed Services of the Senate and House of Representatives.”

REPORT ON MANAGEMENT OF ACQUISITION OF SPARE PARTS

Pub. L. 98-94, title XII, §1216, Sept. 24, 1983, 97 Stat. 688, directed Secretary of Defense to submit to Congress, by June 1, 1984, a comprehensive report on management by Department of Defense of acquisition of initial and replenishment spare parts and on status of efforts within Department (including particularly the Defense Logistics Agency and the military departments) to correct problems associated with increased costs of such parts, directed Secretary, not later than Dec. 1, 1983, to submit to Congress an interim report stating briefly the actions being taken by the Department to improve acquisition and management of spare parts, and directed Secretary to put into effect at the earliest practicable date policies and procedures to achieve a long-term solution to problems relating to excessive costs of, and long lead times in the acquisition of, initial and replenishment spare parts.

§ 2453. Supply catalog: distribution and use

The Secretary of Defense shall distribute the parts of the supply catalog described in section 2451 of this title as they are completed. Existing catalogs shall be replaced according to schedules established by the Secretary. After replacement no other supply catalog may be used within the Department of Defense with respect to the kinds of items covered by that part. All property reports and records shall use the nomenclature, item numbers, and descriptive data of the supply catalog.

(Aug. 10, 1956, ch. 1041, 70A Stat. 139.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
2453	5:173d.	July 1, 1952, ch. 539, §6, 66 Stat. 320; 1953 Reorg. Plan No. 6, §1(a) (as applicable to Defense Supply Management Agency), eff. June 30, 1953, 67 Stat. 638.

The words “and ready for use” and “all departments, bureaus, and services” are omitted as surplusage. The words “After replacement” are substituted for the word “Thereafter”. The words “with respect to the kinds of items covered by that part” are inserted for clarity.

§ 2454. Supply catalog: new or obsolete items

(a) After any part of the supply catalog described in section 2451 of this title is distributed, and with respect to the kinds of items covered by that part, only the items listed in it may be procured for recurrent use in the Department of Defense. However, a military department may acquire any new item that is necessary to carry out its mission. As soon as such an item is acquired, it shall be submitted to the Secretary for inclusion in the catalog and the standardization program.

(b) Obsolete items may be deleted from the catalog at any time.

(Aug. 10, 1956, ch. 1041, 70A Stat. 140.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
2454(a)	5:173e (less last 5 words of 1st proviso).	July 1, 1952, ch. 539, §7, 66 Stat. 320; 1953 Reorg. Plan No. 6, §1(a) (as applicable to Defense Supply Management Agency), eff. June 30, 1953, 67 Stat. 638.
2454(b)	5:173e (last 5 words of 1st proviso).	

In subsection (a), the words “After any part * * * is distributed” are substituted for the words “Following the publication and promulgation * * * or portions thereof”. The words “and with respect to the kinds of items covered by that part” are inserted for clarity. The word “recurrent” is substituted for the word “repetitive”. The words “the departments, bureaus, and services of” are omitted as surplusage. The second sentence of the revised subsection is substituted for 5:173e (1st proviso, less last 5 words; and 2d proviso).

In subsection (b), the words “at any time” are inserted for clarity.

§ 2455. Repealed. Pub. L. 101-510, div. A, title XIII, § 1322(a)(9), Nov. 5, 1990, 104 Stat. 1671]

Section, acts Aug. 10, 1956, ch. 1041, 70A Stat. 140; Jan. 2, 1975, Pub. L. 93-608, §2(2), 88 Stat. 1971; Dec. 21, 1982, Pub. L. 97-375, title II, §203(c), 96 Stat. 1823, related to reports on cataloging supplies for Department of Defense.

§ 2456. Coordination with General Services Administration

To avoid unnecessary duplication, the Administrator of General Services and the Secretary of Defense shall coordinate the cataloging and standardization activities of the General Services Administration and the Department of Defense.

(Aug. 10, 1956, ch. 1041, 70A Stat. 140.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
2456	5:173i.	July 1, 1952, ch. 539, §11, 66 Stat. 320.

§ 2457. Standardization of equipment with North Atlantic Treaty Organization members

(a) It is the policy of the United States to standardize equipment, including weapons systems, ammunition, and fuel, procured for the use of the armed forces of the United States stationed in Europe under the North Atlantic Treaty or at least to make that equipment interoperable with equipment of other members of the North Atlantic Treaty Organization. To carry out this policy, the Secretary of Defense shall—

(1) assess the costs and possible loss of non-nuclear combat effectiveness of the military forces of the members of the Organization caused by the failure of the members to standardize equipment;

(2) maintain a list of actions to be taken, including an evaluation of the priority and effect of the action, to standardize equipment that may improve the overall nonnuclear defense capability of the Organization or save resources for the Organization; and

(3) initiate and carry out, to the maximum extent feasible, procurement procedures to acquire standardized or interoperable equip-

ment, considering the cost, function, quality, and availability of the equipment.

(b) Progress in realizing the objectives of standardization and interoperability would be enhanced by expanded inter-Allied procurement of arms and equipment within the North Atlantic Treaty Organization. Expanded inter-Allied procurement would be made easier by greater reliance on licensing and coproduction cooperative agreements among the signatories of the North Atlantic Treaty. If constructed to preserve the efficiencies associated with economies of scale, the agreements could minimize potential economic hardship to parties to the agreements and increase the survivability, in time of war, of the North Atlantic Alliance's armaments production base by dispersing manufacturing facilities. In conjunction with other members of the Organization and to the maximum extent feasible, the Secretary shall—

- (1) identify areas in which those cooperative agreements may be made with members of the Alliance; and
- (2) negotiate those agreements.

(c)(1) It is the sense of Congress that weapons systems being developed wholly or primarily for employment in the North Atlantic Treaty Organization theater should conform to a common Organization requirement in order to proceed toward joint doctrine and planning and to facilitate maximum feasible standardization and interoperability of equipment, and that a common Organization requirement should be understood to include a common definition of the military threat to the members of the Organization.

(2) It is further the sense of Congress that standardization of weapons and equipment within the Organization on the basis of a "two-way street" concept of cooperation in defense procurement between Europe and North America can only work in a realistic sense if the European nations operate on a united and collective basis. Therefore, the governments of Europe are encouraged to accelerate their present efforts to achieve European armaments collaboration among all European members of the Organization.

[(d) Repealed. Pub. L. 108-136, div. A, title X, §1031(a)(22), Nov. 24, 2003, 117 Stat. 1598.]

(e) If the Secretary decides that procurement of equipment manufactured outside the United States is necessary to carry out the policy of subsection (a), the Secretary may determine under section 2 of the Buy American Act (41 U.S.C. 10a) that acquiring that equipment manufactured in the United States is inconsistent with the public interest.

(f) The Secretary shall submit the results of each assessment and evaluation made under subsection (a)(1) and (2) to the appropriate North Atlantic Treaty Organization body to become an integral part of the overall Organization review of force goals and development of force plans.

(Added Pub. L. 97-295, §1(30)(A), Oct. 12, 1982, 96 Stat. 1294; amended Pub. L. 101-510, div. A, title XIII, §1311(5), Nov. 5, 1990, 104 Stat. 1670; Pub. L. 104-106, div. A, title XV, §1503(a)(24), Feb. 10, 1996, 110 Stat. 512; Pub. L. 108-136, div. A, title X, §1031(a)(22), Nov. 24, 2003, 117 Stat. 1598.)

HISTORICAL AND REVISION NOTES

<i>Revised section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
2457(a)	10:2451 (note).	Aug. 5, 1974, Pub. L. 93-365, §302(c) (1st-3d sentences), 88 Stat. 402. Oct. 7, 1975, Pub. L. 94-106, §814(a)(1), 89 Stat. 540; restated July 14, 1976, Pub. L. 94-361, §802, 90 Stat. 930.
2457(b)	10:2451 (note).	July 14, 1976, Pub. L. 94-361, §803(b) (1st-4th sentences), 90 Stat. 931.
2457(c)	10:2451 (note).	July 14, 1976, Pub. L. 94-361, §803(a) (1st, 2d sentences), (c), 90 Stat. 930, 931.
2457(d) (words before (1)), (1) (related to (a)(1) and (2)).	10:2451 (note).	Aug. 5, 1974, Pub. L. 93-365, §302(c) (5th sentence), 88 Stat. 402; Oct. 7, 1975, Pub. L. 94-106, §814(c), 89 Stat. 540.
2457(d)(1) (related to (a)(3)).	10:2451 (note).	July 14, 1976, Pub. L. 94-361, §803(b) (last sentence), 90 Stat. 931.
2457(d)(2)	10:2451 (note).	Oct. 7, 1975, Pub. L. 94-106, §814(b), 89 Stat. 540.
2457(d)(3)	10:2451 (note).	Oct. 7, 1975, Pub. L. 94-106, §814(a)(3), 89 Stat. 540; restated July 14, 1976, Pub. L. 94-361, §802, 90 Stat. 930.
2457(d) (4)-(6).	10:2451 (note).	July 14, 1976, Pub. L. 94-361, §803(a) (3d-last sentences), 90 Stat. 930.
2457(d)(7), (8).	10:2451 (note).	Aug. 5, 1974, Pub. L. 93-365, 88 Stat. 399, §302(c) (6th, last sentences); added Sept. 8, 1982, Pub. L. 97-252, §1121, 96 Stat. 754.
2457(e)	10:2451 (note).	Oct. 7, 1975, Pub. L. 94-106, §814(a)(2), 89 Stat. 540; restated July 14, 1976, Pub. L. 94-361, §802, 90 Stat. 930.
2457(f)	10:2451 (note).	Aug. 5, 1974, Pub. L. 93-365, §302(c) (4th sentence), 88 Stat. 402.

In the introductory matter of subsection (a), before clause (1), the word "equipment" is substituted for "impedimenta" in section 302(c) of the Department of Defense Appropriation Authorization Act, 1975 (Pub. L. 93-365, Aug. 5, 1974, 88 Stat. 402), for clarity and for consistency with section 814(a)(1) of the Department of Defense Appropriation Authorization Act, 1976 (Pub. L. 94-106, Oct. 7, 1975, 89 Stat. 540), which is restated as part of this subsection.

In subsection (a)(1), the word "undertake" is omitted as surplus. The word "members" is substituted for "countries" for consistency. The words "including the United States" are omitted as unnecessary.

In subsection (a)(2), the words "The Secretary of Defense shall also" are omitted as unnecessary. The word "maintain" is substituted for "develop" because it is more appropriate.

In subsection (a)(3), the words "of other members of the North Atlantic Treaty Organization whenever such equipment is to be used by personnel of the Armed Forces of the United States stationed in Europe under the terms of the North Atlantic Treaty" are omitted as unnecessary because of the restatement. The words "Such procedures shall also take into . . . to be procured" are omitted as unnecessary. The text of section 814(a)(1) (4th, last sentences) is omitted as executed.

In subsection (b), the words "It is the sense of the Congress", "It is further the sense of Congress", "It is the Congress' considered judgment", "properly", "Accordingly", and "pursuant to these ends" are omitted as unnecessary.

In subsection (c)(1), the word "should" is substituted for "shall" for clarity.

In subsection (d)(1), the word "members" is substituted for "allies" for consistency. The words "The Secretary of Defense shall include in the report to the

Congress required by section 302(c) of Public Law 93-365, as amended” are omitted as unnecessary because of the restatement.

In subsection (d)(2), the words “The report required under section 302(c) of Public Law 93-365 shall include” are omitted as unnecessary because of the restatement.

In subsection (d)(3), the words “he shall report that fact to the Congress in the annual report required under section 302(c) of Public Law 93-365, as amended” are omitted as unnecessary because of the restatement.

In subsection (d)(4), the words “The Secretary of Defense shall, in the reports required by section 302(c) of Public Law 93-365, as amended” are omitted as unnecessary because of the restatement.

In subsection (d)(5), the words “if none exist” are substituted for “In the absence of such common requirements” to eliminate unnecessary words. The words “the Secretary shall include a discussion of the” are omitted as unnecessary because of the restatement.

In subsection (d)(6), the words “The Secretary of Defense shall also report on” are omitted as unnecessary because of the restatement.

In subsection (d)(7), the words “those programs” are substituted for “all such existing and planned programs” and “all such programs” to eliminate unnecessary words.

In subsection (f), the words “The Secretary shall submit the results of these . . . to Congress” are omitted as unnecessary because of the source provisions restated in subsection (d)(1). The word “submit” is substituted for “cause to be brought” to eliminate unnecessary words. The words “in order that the suggested actions and recommendations can” are omitted as unnecessary because of the restatement.

AMENDMENTS

2003—Subsec. (d). Pub. L. 108-136 struck out subsec. (d) which related to Secretary’s biennial submission of report to Congress.

1996—Subsec. (e). Pub. L. 104-106 substituted “the Buy American Act (41 U.S.C. 10a)” for “title III of the Act of March 3, 1933 (41 U.S.C. 10a).”

1990—Subsec. (d). Pub. L. 101-510 substituted “Before February 1, 1989, and biennially thereafter” for “Before February 1 of each year”.

§ 2458. Inventory management policies

(a) **POLICY REQUIRED.**—The Secretary of Defense shall issue a single, uniform policy on the management of inventory items of the Department of Defense. Such policy shall—

(1) establish maximum levels for inventory items sufficient to achieve and maintain only those levels for inventory items necessary for the national defense;

(2) provide guidance to item managers and other appropriate officials on how effectively to eliminate wasteful practices in the acquisition and management of inventory items; and

(3) set forth a uniform system for the valuation of inventory items by the military departments and Defense Agencies.

(b) **PERSONNEL EVALUATIONS.**—The Secretary of Defense shall establish procedures to ensure that, with regard to item managers and other personnel responsible for the acquisition and management of inventory items of the Department of Defense, personnel appraisal systems for such personnel give appropriate consideration to efforts made by such personnel to eliminate wasteful practices and achieve cost savings in the acquisition and management of inventory items.

(Added Pub. L. 101-510, div. A, title III, § 323(a)(1), Nov. 5, 1990, 104 Stat. 1530; amended

Pub. L. 102-190, div. A, title III, § 347(a), Dec. 5, 1991, 105 Stat. 1347.)

AMENDMENTS

1991—Subsec. (a)(3). Pub. L. 102-190 added par. (3).

IMPLEMENTATION OF 1991 AMENDMENT

Secretary of Defense to establish uniform system of valuation described in subsec. (a)(3) of this section not later than 180 days after Dec. 5, 1991, see section 347(c) of Pub. L. 102-190, set out as a note under section 2721 of this title.

REPORT ON INVENTORY AND CONTROL OF MILITARY EQUIPMENT

Pub. L. 106-65, div. A, title III, § 363, Oct. 5, 1999, 113 Stat. 576, provided that not later than Aug. 31, 2000, the Secretary of Defense was to submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the inventory and control of the military equipment of the Department of Defense as of the end of fiscal year 1999, and that not later than Nov. 30, 2000, the Inspector General of the Department of Defense was to review the report and submit comments to the committees.

BEST COMMERCIAL INVENTORY PRACTICES FOR MANAGEMENT OF SECONDARY SUPPLY ITEMS

Pub. L. 105-261, div. A, title III, § 347, Oct. 17, 1998, 112 Stat. 1980, provided that:

“(a) **DEVELOPMENT AND SUBMISSION OF SCHEDULE.**—Not later than 180 days after the date of the enactment of this Act [Oct. 17, 1998], the Secretary of each military department shall submit to Congress a schedule for implementing within the military department, for secondary supply items managed by that military department, inventory practices identified by the Secretary as being the best commercial inventory practices for the acquisition and distribution of such supply items consistent with military requirements. The schedule shall provide for the implementation of such practices to be completed not later than five years after the date of the enactment of this Act.

“(b) **DEFINITION.**—For purposes of this section, the term ‘best commercial inventory practice’ includes cellular repair processes, use of third-party logistics providers, and any other practice that the Secretary of the military department determines will enable the military department to reduce inventory levels while improving the responsiveness of the supply system to user needs.

“(c) **GAO REPORTS ON MILITARY DEPARTMENT AND DEFENSE LOGISTICS AGENCY SCHEDULES.**—(1) Not later than 240 days after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report evaluating the extent to which the Secretary of each military department has complied with the requirements of this section.

“(2) Not later than 18 months after the date on which the Director of the Defense Logistics Agency submits to Congress a schedule for implementing best commercial inventory practices under section 395 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85; 111 Stat. 1718; 10 U.S.C. 2458 note), the Comptroller General shall submit to Congress an evaluation of the extent to which best commercial inventory practices are being implemented in the Defense Logistics Agency in accordance with that schedule.”

INVENTORY MANAGEMENT OF IN-TRANSIT ITEMS

Pub. L. 105-261, div. A, title III, § 349, Oct. 17, 1998, 112 Stat. 1981, as amended by Pub. L. 106-398, § 1 [[div. A], title III, § 386], Oct. 30, 2000, 114 Stat. 1654, 1654A-88, provided that:

“(a) **REQUIREMENT FOR PLAN.**—The Secretary of Defense shall prescribe and carry out a comprehensive plan to ensure visibility over all in-transit end items and secondary items.

“(b) END ITEMS.—The plan required by subsection (a) shall address the specific mechanisms to be used to enable the Department of Defense to identify at any time the quantity and location of all end items.

“(c) SECONDARY ITEMS.—The plan required by subsection (a) shall address the following problems with Department of Defense management of inventories of in-transit secondary items:

“(1) The vulnerability of in-transit secondary items to loss through fraud, waste, and abuse.

“(2) Loss of oversight of in-transit secondary items, including any loss of oversight when items are being transported by commercial carriers.

“(3) Loss of accountability for in-transit secondary items due to either a delay of delivery of the items or a lack of notification of a delivery of the items.

“(d) CONTENT OF PLAN.—The plan shall include for subsection (b) and for each of the problems described in subsection (c) the following information:

“(1) The actions to be taken by the Department, including specific actions to address underlying weaknesses in the controls over items being shipped.

“(2) Statements of objectives.

“(3) Performance measures and schedules.

“(4) An identification of any resources necessary for implementing the required actions, together with an estimate of the annual costs.

“(5) The key management elements for monitoring, and for measuring the progress achieved in, the implementation of the plan, including—

“(A) the assignment of oversight responsibility for each action identified pursuant to paragraph (1);

“(B) a description of the resources required for oversight; and

“(C) an estimate of the annual cost of oversight.

“(e) GAO REVIEWS.—(1) Not later than 60 days after the date on which the Secretary of Defense submits the initial plan to Congress, the Comptroller General shall review the plan and submit to Congress any comments that the Comptroller General considers appropriate regarding the plan.

“(2) The Comptroller General shall monitor any implementation of the plan and, not later than 1 year after the date referred to in paragraph (1), submit to Congress an assessment of the extent to which the plan has been implemented.

“(f) SUBMISSIONS TO CONGRESS.—The Secretary shall submit to Congress any revisions made to the plan that are required by any law enacted after October 17, 1998. The revisions so made shall be submitted not later than 180 days after the date of the enactment of the law requiring the revisions.”

INVENTORY MANAGEMENT

Pub. L. 105-85, div. A, title III, §395, Nov. 18, 1997, 111 Stat. 1718, provided that:

“(a) DEVELOPMENT AND SUBMISSION OF SCHEDULE.—Not later than 180 days after the date of the enactment of this Act [Nov. 18, 1997], the Director of the Defense Logistics Agency shall develop and submit to Congress a schedule for implementing within the agency, for the supplies and equipment described in subsection (b), inventory practices identified by the Director as being the best commercial inventory practices for the acquisition and distribution of such supplies and equipment consistent with military requirements. The schedule shall provide for the implementation of such practices to be completed not later than three years after the date of the enactment of this Act.

“(b) COVERED SUPPLIES AND EQUIPMENT.—Subsection (a) shall apply to the following types of supplies and equipment for the Department of Defense:

“(1) Medical and pharmaceutical.

“(2) Subsistence.

“(3) Clothing and textiles.

“(4) Commercially available electronics.

“(5) Construction.

“(6) Industrial.

“(7) Automotive.

“(8) Fuel.

“(9) Facilities maintenance.

“(c) DEFINITION.—For purposes of this section, the term ‘best commercial inventory practice’ includes a so-called prime vendor arrangement and any other practice that the Director determines will enable the Defense Logistics Agency to reduce inventory levels and holding costs while improving the responsiveness of the supply system to user needs.

“(d) REPORT ON EXPANSION OF COVERED SUPPLIES AND EQUIPMENT.—Not later than March 1, 1998, the Comptroller General shall submit to Congress a report evaluating the feasibility of expanding the list of covered supplies and equipment under subsection (b) to include repairable items.”

DIRECT VENDOR DELIVERY SYSTEM FOR CONSUMABLE INVENTORY ITEMS OF DEPARTMENT OF DEFENSE

Pub. L. 104-106, div. A, title III, §352, Feb. 10, 1996, 110 Stat. 266, provided that:

“(a) IMPLEMENTATION OF DIRECT VENDOR DELIVERY SYSTEM.—Not later than September 30, 1997, the Secretary of Defense shall, to the maximum extent practicable, implement a system under which consumable inventory items referred to in subsection (b) are delivered to military installations throughout the United States directly by the vendors of those items. The purpose for implementing the system is to reduce the expense and necessity of maintaining extensive warehouses for those items within the Department of Defense.

“(b) COVERED ITEMS.—The items referred to in subsection (a) are the following:

“(1) Food and clothing.

“(2) Medical and pharmaceutical supplies.

“(3) Automotive, electrical, fuel, and construction supplies.

“(4) Other consumable inventory items the Secretary considers appropriate.”

DATE OF ISSUANCE OF POLICY

Section 323(b) of Pub. L. 101-510 provided that: “The policy required by section 2458(a) of title 10, United States Code (as added by subsection (a)), shall be issued not later than 180 days after the date of the enactment of this Act [Nov. 5, 1990].”

CHAPTER 146—CONTRACTING FOR PERFORMANCE OF CIVILIAN COMMERCIAL OR INDUSTRIAL TYPE FUNCTIONS

Sec.	
2460.	Definition of depot-level maintenance and repair.
2461.	Public-private competition required before conversion to contractor performance.
2461a.	Development and implementation of system for monitoring cost saving resulting from public-private competitions.
2462.	Reports on public-private competition.
[2463.	Repealed.]
2464.	Core logistics capabilities.
2465.	Prohibition on contracts for performance of firefighting or security-guard functions.
2466.	Limitations on the performance of depot-level maintenance of materiel.
2467.	Cost comparisons: inclusion of retirement costs; consultation with employees; waiver of comparison.
[2468.	Repealed.]
2469.	Contracts to perform workloads previously performed by depot-level activities of the Department of Defense: requirement of competition.
[2469a.	Repealed.]
2470.	Depot-level activities of the Department of Defense: authority to compete for maintenance and repair workloads of other Federal agencies.
[2471.	Repealed.]