

114TH CONGRESS
2D SESSION

H. R. 4690

To revitalize Army arsenals, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 2016

Mrs. BUSTOS (for herself, Mr. WESTERMAN, Mr. LOEBSACK, Ms. DUCKWORTH, and Mr. TONKO) introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To revitalize Army arsenals, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Army Arsenal Revital-
5 ization Act of 2016”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) CONGRESSIONAL DEFENSE COMMITTEES.—

9 The term “congressional defense committees” has
10 the meaning given that term in section 101(a)(16)
11 of title 10, United States Code.

1 (2) LEGACY ITEMS.—The term “legacy items”
2 means manufactured items that are no longer pro-
3 duced by the private sector but continue to be used
4 for Department of Defense weapons systems, exclud-
5 ing information technology and information systems
6 (as those terms are defined in section 11101 of title
7 40, United States Code).

8 (3) ORGANIC INDUSTRIAL BASE.—The term
9 “organic industrial base” means United States mili-
10 tary facilities that advance a vital national security
11 interest by producing necessary materials, muni-
12 tions, and hardware, including arsenals, depots, and
13 ammunition plants.

14 **SEC. 3. USE OF ARSENALS TO MANUFACTURE CERTAIN**
15 **ITEMS.**

16 (a) PRODUCTION OF LEGACY ITEMS.—

17 (1) REPORT.—Not later than 180 days after
18 the date of the enactment of this Act, the Secretary
19 of Defense shall submit to the congressional defense
20 committees a report listing all legacy items used by
21 the Department of Defense with a contract value
22 equal to or greater than \$5,000,000.

23 (2) PRODUCTION REQUIREMENT.—For the pro-
24 duction of all legacy items identified in the report
25 submitted under paragraph (1), the Secretary of De-

1 fense shall use Army arsenals that conform to the
2 site and meets the criteria for maintaining critical
3 skill capabilities.

4 (b) USE OF SOLE SOURCE CONTRACTS FOR CERTAIN
5 ITEMS.—

6 (1) REPORT.—Not later than one year after the
7 date of the enactment of this Act, the Secretary of
8 Defense shall submit to the congressional defense
9 committees a report listing all sole source contracts
10 for the procurement of manufactured items the lack
11 of which would constitute a critical national security
12 issue for the Department of Defense.

13 (2) COMPETITION REQUIREMENT.—The Sec-
14 retary of Defense shall establish Army arsenals as a
15 second source for production of any manufactured
16 item included in the report submitted under para-
17 graph (1).

18 (c) REPORT ON EQUIPMENT PURCHASED UNDER
19 DOMESTIC SOLE SOURCE CONTRACTS.—

20 (1) REPORT.—Not later than March 30, 2017,
21 the Secretary of Defense shall submit to the con-
22 gressional defense committees a report containing a
23 list of each contract awarded by the Department of
24 Defense during fiscal years 2011 through 2015
25 using procedures other than competitive procedures

1 for the procurement of equipment, weapons, weap-
2 ons systems, components, subcomponents, or end-
3 items with a contract value equal to or greater than
4 \$3,000,000.

5 (2) ELEMENTS.—The report under paragraph
6 (1) shall include, for each contract listed, the fol-
7 lowing information:

8 (A) An identification of the items pur-
9 chased under the contract.

10 (B) The rationale for using an exception or
11 waiver to award the contracts using procedures
12 other than competitive procedures.

13 (C) A list of potential alternative manufac-
14 turing sources from the public and private sec-
15 tor that could be developed to establish com-
16 petition for those items.

17 **SEC. 4. USE OF ORGANIC INDUSTRIAL BASE TO ADDRESS**
18 **DIMINISHING MANUFACTURING SOURCES**
19 **AND MATERIAL SHORTAGES.**

20 (a) REPORT.—Not later than one year after the date
21 of the enactment of this Act, the Secretary of Defense
22 shall submit to the congressional defense committees a re-
23 port detailing plans to update and improve its guidance
24 and practices on Diminishing Manufacturing Sources and
25 Material Shortages (DMSMS), including through the use

1 of the organic industrial base as a resource in the imple-
2 mentation of a DMSMS management plan.

3 (b) GUIDANCE REGARDING USE OF ORGANIC INDUS-
4 TRIAL BASE.—The Secretary of the Army shall maintain
5 the arsenals with sufficient workloads to ensure afford-
6 ability and technical competence in all critical capability
7 areas by establishing, not later than March 30, 2017,
8 clear, step-by-step, prescriptive guidance on the process
9 for conducting make-or-buy analyses, including the use of
10 the organic industrial base.

11 (c) IDENTIFICATION OF ARMY ARSENAL CRITICAL
12 CAPABILITIES AND EFFICIENT WORKLOADS.—

13 (1) REPORT.—Not later than 180 days after
14 the date of the enactment of this Act, the Secretary
15 of Defense shall submit to the congressional defense
16 committees a report that—

17 (A) includes a standardized, consistent
18 method to use for identifying the critical capa-
19 bilities and efficient workloads of the Army ar-
20 senals;

21 (B) provides analysis on the critical capa-
22 bilities and efficient workloads for each of the
23 manufacturing arsenals; and

24 (C) identifies fundamental elements, such
25 as steps, milestones, timeframes, and resources

1 for implementing the United States Army Or-
2 ganic Industrial Base Strategic Plan 2012–
3 2022.

4 (2) GUIDANCE.—Not later than one year after
5 the date of the enactment of this Act, the Secretary
6 of Defense shall issue guidance to implement the
7 process for identifying the critical capabilities of the
8 Army’s manufacturing arsenals and the method for
9 determining the workload needed to sustain these
10 capabilities.

11 **SEC. 5. AUTHORITY TO ADJUST LABOR RATES TO REFLECT**
12 **WORK PRODUCTION.**

13 (a) PILOT PROGRAM.—Not later than 90 days after
14 the date of the enactment of this Act, the Secretary of
15 Defense shall establish a three-year pilot program for the
16 purpose of permitting the Army arsenals to adjust periodi-
17 cally, throughout the year, their labor rates charged to
18 customers based upon changes in workload and other fac-
19 tors.

20 (b) ANNUAL REPORT.—Not later than one year after
21 the date of the enactment of this Act, and annually there-
22 after, the Secretary of Defense shall submit to the con-
23 gressional defense committees a report that assesses—

24 (1) each Army arsenal’s changes in labor rates
25 throughout the previous year;

- 1 (2) the ability of each arsenal to meet the costs
- 2 of their working capital funds; and
- 3 (3) the effect on arsenal workloads of labor rate
- 4 changes.

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