

**AMENDMENT TO**  
**RULES COMMITTEE PRINT 119-8**  
**OFFERED BY MR. CLOUD OF TEXAS**

At the end of subtitle E of title III, insert the following:

**1 SEC. 3 \_\_\_\_ . STUDY AND REPORT ON EFFECTS OF DEFENSE**  
**2 LOGISTICS AGENCY CLASS IX RECOVERY**  
**3 RATES ON MILITARY DEPOTS AND ARSENALS.**

**4 (a) STUDY.**—Not later than 180 days after the date  
**5 of the enactment of this Act, the Secretary of Defense,**  
**6 in coordination with the Director of the Defense Logistics**  
**7 Agency and each Secretary of a military department, shall**  
**8 conduct a study on—**

**9 (1) the methodology used by Defense Logistics**  
**10 Agency to establish class IX recovery rates; and**

**11 (2) the effects such rates have on the organic**  
**12 industrial base, with emphasis on military depots**  
**13 and arsenals.**

**14 (b) ELEMENTS.**—The study required by subsection  
**15 (a) shall address each of the following:**

**16 (1) The methodology used by the Defense Lo-**  
**17 gistics Agency to set recovery rates for class IX**  
**18 items for all customers.**

1           (2) How class IX recovery rates affect the cost  
2           structures, budgeting, and execution of workload at  
3           military depots and arsenals.

4           (3) Any differences between the effects of recovery rates on depot-level maintenance compared to  
5           other customers of the Defense Logistics Agency.

7           (4) Any unintended consequences resulting  
8           from such cost recovery practices, including delays,  
9           cost overruns, or degraded readiness in depot and  
10          arsenal operations.

11          (5) Recommendations for improving alignment  
12          between Defense Logistics Agency pricing policies  
13          and the sustainment, affordability, and readiness  
14          goals of military depots and arsenals

15          (c) REPORT.—Not later than 270 days after the date  
16          of the enactment of this Act, the Secretary of Defense  
17          shall submit to the congressional defense committees a report on the findings of the study required under sub-  
18          section (a), which shall include the recommendations of  
19          the Secretary for any legislative or policy changes to address the matters addressed by the study.

