

1           (B) *Any other activity for which personnel*  
2           *are required to carry weapons in the perform-*  
3           *ance of their duties.*

4           (d) *EXCEPTION.—The requirements of this section*  
5           *shall not apply to contracts entered into by elements of the*  
6           *intelligence community in support of intelligence activities.*

7           **SEC. 325. PROHIBITION ON ESTABLISHING GOALS OR**  
8                                   **QUOTAS FOR CONVERSION OF FUNCTIONS TO**  
9                                   **PERFORMANCE BY DEPARTMENT OF DE-**  
10                                  **FENSE CIVILIAN EMPLOYEES.**

11           (a) *PROHIBITION.—The Secretary of Defense may not*  
12           *establish, apply, or enforce any numerical goal, target, or*  
13           *quota for the conversion of Department of Defense function*  
14           *to performance by Department of Defense civilian employ-*  
15           *ees, unless such goal, target, or quota is based on considered*  
16           *research and analysis, as required by section 235, 2330a,*  
17           *or 2463 of title 10, United States Code.*

18           (b) *DECISIONS TO INSOURCE.—In deciding which*  
19           *functions should be converted to performance by Depart-*  
20           *ment of Defense civilian employees pursuant to section 2463*  
21           *of title 10, United States Code, the Secretary of Defense*  
22           *shall use the costing methodology outlined in the Directive-*  
23           *Type Memorandum 09-007 (Estimating and Comparing*  
24           *the Full Costs of Civilian and Military Manpower and Con-*  
25           *tractor Support) or any successor guidance for the deter-*

1 *mination of costs when costs are the sole basis for the deci-*  
2 *sion. The Secretary of a military department may issue*  
3 *supplemental guidance to assist in such decisions affecting*  
4 *functions of that military department.*

5 *(c) REPORTS.—*

6 *(1) REPORT TO CONGRESS.—Not later than De-*  
7 *cember 31, 2010, the Secretary of Defense shall submit*  
8 *to the congressional defense committees a report on*  
9 *the decisions with respect to the conversion of func-*  
10 *tions to performance by Department of Defense civil-*  
11 *ian employees made during fiscal year 2010. Such re-*  
12 *port shall identify, for each such decision—*

13 *(A) the agency or service of the Department*  
14 *involved in the decision;*

15 *(B) the basis and rationale for the decision;*  
16 *and*

17 *(C) the number of contractor employees*  
18 *whose functions were converted to performance*  
19 *by Department of Defense civilian employees.*

20 *(2) COMPTROLLER GENERAL REVIEW.—Not later*  
21 *than 120 days after the submittal of the report under*  
22 *paragraph (1), the Comptroller General of the United*  
23 *States shall submit to the congressional defense com-*  
24 *mittees an assessment of the report.*