

1997—Pub. L. 105–85, div. A, title III, § 371(a)(1), (c)(1), Nov. 18, 1997, 111 Stat. 1705, substituted “COMMISSARIES AND EXCHANGES AND OTHER MORALE, WELFARE, AND RECREATION ACTIVITIES” for “UTILITIES AND SERVICES” as chapter heading and struck out items 2481 “Utilities and services: sale; expansion and extension of systems and facilities”, 2483 “Sale of electricity from alternate energy and cogeneration production facilities”, and 2490 “Utility services: furnishing for certain buildings”.

1996—Pub. L. 104–201, div. A, title III, §§ 341(a)(2), 343(a)(2), Sept. 23, 1996, 110 Stat. 2489, 2490, added items 2482a and 2489a.

Pub. L. 104–106, div. A, title III, §§ 331(b), 336(a)(2), Feb. 10, 1996, 110 Stat. 260, 264, substituted “Commissary stores: operation” for “Commissary stores: private operation” in item 2482 and added item 2490a.

1993—Pub. L. 103–160, div. A, title XI, § 1182(a)(8)(B), Nov. 30, 1993, 107 Stat. 1771, struck out item 2490a “Non-appropriated fund instrumentalities: financial management and use of nonappropriated funds”.

1992—Pub. L. 102–484, div. A, title III, §§ 362(b), 364(b)(1), Oct. 23, 1992, 106 Stat. 2380, 2382, substituted “limitations” for “limitation” in item 2487 and added item 2490a.

1990—Pub. L. 101–510, div. A, title III, § 324(b)(2), Nov. 5, 1990, 104 Stat. 1531, amended item 2485 generally, substituting “Donation of unusable food: commissary stores and other activities” for “Commissary stores: donation of unmarketable food”.

1988—Pub. L. 100–370, § 1(j)(2), July 19, 1988, 102 Stat. 848, added item 2490.

1987—Pub. L. 100–180, div. A, title III, §§ 311(a)(2), 313(a)(3), Dec. 4, 1987, 101 Stat. 1073, 1074, inserted “and pricing” in item 2486 and added item 2489.

1986—Pub. L. 99–661, div. A, title III, § 313(c), Nov. 14, 1986, 100 Stat. 3853, added items 2486, 2487, and 2488.

1985—Pub. L. 99–145, title XIV, § 1460(b), Nov. 8, 1985, 99 Stat. 765, added item 2485.

1984—Pub. L. 98–525, title XIV, § 1401(i)(2), Oct. 19, 1984, 98 Stat. 2620, added item 2484.

Pub. L. 98–407, title VIII, § 810(b), Aug. 28, 1984, 98 Stat. 1523, added item 2483.

#### SUBCHAPTER I—DEFENSE COMMISSARY AND EXCHANGE SYSTEMS

Sec.

- 2481. Defense commissary and exchange systems: existence and purpose.
- 2482. Commissary stores: criteria for establishment or closure; store size.
- 2483. Commissary stores: use of appropriated funds to cover operating expenses.
- 2484. Commissary stores: merchandise that may be sold; uniform surcharges and pricing.
- 2485. Commissary stores: operation.

#### AMENDMENTS

2006—Pub. L. 109–364, div. A, title X, § 1071(a)(18), Oct. 17, 2006, 120 Stat. 2399, inserted period at end of item 2481.

2004—Pub. L. 108–375, div. A, title VI, § 651(a)(3), Oct. 28, 2004, 118 Stat. 1964, added subchapter heading and items 2481 to 2485.

#### § 2481. Defense commissary and exchange systems: existence and purpose

(a) SEPARATE SYSTEMS.—The Secretary of Defense shall operate, in the manner provided by this chapter and other provisions of law, a world-wide system of commissary stores and a separate world-wide system of exchange stores. The stores of each system may sell, at reduced prices, food and other merchandise to members of the uniformed services on active duty, members of the uniformed services entitled to retired pay, dependents of such members, and persons

authorized to use the system under chapter 54 of this title. Any reference in this chapter to “the exchange system” shall be treated as referring to each separate administrative entity within the Department of Defense through which the Secretary has implemented the requirement under this subsection for a world-wide system of exchange stores.

(b) PURPOSE OF SYSTEMS.—The defense commissary system and the exchange system are intended to enhance the quality of life of members of the uniformed services, retired members, and dependents of such members, and to support military readiness, recruitment, and retention.

(c) OVERSIGHT.—(1) The Secretary of Defense shall designate a senior official of the Department of Defense to oversee the operation of both the defense commissary system and the exchange system.

(2) The Secretary of Defense shall establish an executive governing body to provide advice to the senior official designated under paragraph (1) regarding the operation of the defense commissary and exchange systems and to ensure the complementary operation of the systems.

(3)(A) The Secretary of Defense shall develop and implement a comprehensive strategy to optimize management practices across the defense commissary system and the exchange system that reduce reliance of those systems on appropriated funding without reducing benefits to the patrons of those systems or the revenue generated by nonappropriated fund entities or instrumentalities of the Department of Defense for the morale, welfare, and recreation of members of the armed forces.

(B) The Secretary shall ensure that savings generated due to such optimization practices are shared by the defense commissary system and the exchange system through contracts or agreements that appropriately reflect the participation of the systems in the development and implementation of such practices.

(C) If the Secretary determines that the reduced reliance on appropriated funding pursuant to subparagraph (A) is insufficient to maintain the benefits to the patrons of the defense commissary system, and if the Secretary converts the defense commissary system to a nonappropriated fund entity or instrumentality pursuant to paragraph (1) of section 2484(j) of this title, the Secretary shall transfer appropriated funds pursuant to paragraph (2) of such section to ensure the maintenance of such benefits.

(4) On not less than a quarterly basis, the Secretary shall provide to the congressional defense committees a briefing on the defense commissary system, including—

(A) an assessment of the savings the system provides patrons;

(B) the status of implementing section 2484(i) of this title;

(C) the status of implementing section 2484(j) of this title, including whether the system requires any appropriated funds pursuant to paragraph (2) of such section;

(D) the status of carrying out a program for such system to sell private label merchandise; and

(E) any other matters the Secretary considers appropriate.