

“(B) The investment necessary to ensure the current inventory of facilities at covered depots can meet the mission-capable, readiness, and contingency goals of the Secretary of Defense.

“(C) The investment necessary to execute the depot infrastructure optimization plans of each military department.

“(D) Any other strategies for investment in covered depots, as identified by the Secretary.

“(3) A plan to improve conditions and performance of covered depots that identifies the following:

“(A) The approach of the Secretary of Defense for achieving the goals outlined in paragraph (1)(B).

“(B) The resources and investments required to implement the plan.

“(C) The activities and milestones required to implement the plan.

“(D) A results-oriented approach to assess—

“(i) the progress of each military department in achieving such goals; and

“(ii) the progress of the Department in implementing the plan.

“(E) Organizational roles and responsibilities for implementing the plan.

“(F) A process for conducting regular management review and coordination of the progress of each military department in implementing the plan and achieving such goals.

“(G) The extent to which the Secretary has addressed recommendations made by the Comptroller General of the United States relating to depot operations during the five-year period preceding the date of submittal of the strategy under this section.

“(H) Risks to implementing the plan and mitigation strategies to address those risks.

“(c) ANNUAL REPORT ON PROGRESS.—As part of the annual budget submission of the President under section 1105(a) of title 31, United States Code, the Secretary of Defense shall submit to the congressional defense committees a report describing the progress made in—

“(1) implementing the strategy under subsection (a); and

“(2) achieving the goals outlined in subsection (b)(1)(B).

“(d) COMPTROLLER GENERAL REPORTS.—

“(1) ASSESSMENT OF STRATEGY.—Not later than January 1, 2021, the Comptroller General of the United States shall submit to the congressional defense committees a report assessing the extent to which the strategy under subsection (a) meets the requirements of this section.

“(2) ASSESSMENT OF IMPLEMENTATION.—Not later than April 1, 2022, the Comptroller General shall submit to the congressional defense committees a report setting forth an assessment of the extent to which the strategy under subsection (a) has been effectively implemented by each military department and the Secretary of Defense.

“(e) COVERED DEPOT DEFINED.—In this section, the term ‘covered depot’ has the meaning given that term in section 2476(e) of title 10, United States Code.”

TWO YEAR PHASE-IN FOR DEPARTMENTS OF THE ARMY AND THE NAVY

Pub. L. 109-364, div. A, title III, §332(d), Oct. 17, 2006, 120 Stat. 2150, provided that:

“(1) REDUCED PERCENTAGE OF REQUIRED INVESTMENT FOR FISCAL YEARS 2007 AND 2008.—The Secretary of the Army shall apply subsection (a) of section 2476 of title 10, United States Code, as added by subsection (a), to the covered depots of the Army, and the Secretary of the Navy shall apply such subsection to the covered depots of the Department of the Navy—

“(A) for fiscal year 2007, by substituting ‘four percent’ for ‘six percent’; and

“(B) for fiscal year 2008, by substituting ‘five percent’ for ‘six percent’.

“(2) COVERED DEPOTS.—In this subsection, the term ‘covered depot’ has the meaning given that term in subsection (e) of section 2476 of title 10, United States Code, as added by subsection (a).”

CHAPTER 147—COMMISSARIES AND EXCHANGES AND OTHER MORALE, WELFARE, AND RECREATION ACTIVITIES

Subchapter	Sec.
I. Defense Commissary and Exchange Systems	2481
II. Relationship, Continuation, and Common Policies of Defense Commissary and Exchange Systems	2487
III. Morale, Welfare, and Recreation Programs and Nonappropriated Fund Instrumentalities	2491

AMENDMENTS

2004—Pub. L. 108-375, div. A, title VI, §651(a)(1), (3), Oct. 28, 2004, 118 Stat. 1964, added items for subchapters I to III and struck out items 2481 “Existence of defense commissary system and exchange stores system”, 2482 “Commissary stores: operation”, 2482a “Nonappropriated fund instrumentalities: contracts with other agencies and instrumentalities to provide and obtain goods and services”, 2483 “Commissary stores: reimbursement for use of commissary facilities by military departments”, 2484 “Commissary stores: use of appropriated funds to cover operating expenses”, 2485 “Donation of unusable food: commissary stores and other activities”, 2486 “Commissary stores: merchandise that may be sold; uniform surcharges and pricing”, 2487 “Commissary stores: release of certain commercially valuable information to the public”, 2488 “Nonappropriated fund instrumentalities: purchase of alcoholic beverages”, 2489 “Overseas package stores: treatment of United States wines”, 2489a “Sale or rental of sexually explicit material prohibited”, 2490a “Combined exchange and commissary stores”, 2492 “Overseas commissary and exchange stores: access and purchase restrictions”, 2493 “Fisher Houses: administration as nonappropriated fund instrumentality”, and 2494 “Uniform funding and management of morale, welfare, and recreation programs”.

2003—Pub. L. 108-136, div. A, title VI, §652(b), Nov. 24, 2003, 117 Stat. 1522, added item 2481.

2002—Pub. L. 107-314, div. A, title III, §323(b), Dec. 2, 2002, 116 Stat. 2511, added item 2494.

2001—Pub. L. 107-107, div. A, title III, §§332(b), 333(b), Dec. 28, 2001, 115 Stat. 1058, 1059, added item 2483 and substituted “Commissary stores: release of certain commercially valuable information to the public” for “Commissary stores: limitations on release of sales information” in item 2487.

2000—Pub. L. 106-398, §1 [[div. A], title III, §331(a)(2)], Oct. 30, 2000, 114 Stat. 1654, 1654A-59, added item 2484 and struck out former item 2484 “Commissary stores: expenses”.

1998—Pub. L. 105-261, div. A, title III, §365(b), title IX, §906(a)(2), Oct. 17, 1998, 112 Stat. 1987, 2095, added items 2492 and 2493.

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 “Nonappropriated 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.

(d) REDUCED PRICES DEFINED.—In this section, the term “reduced prices” means prices for food and other merchandise determined using the price setting process specified in section 2484 of this title.

(Added Pub. L. 108-375, div. A, title VI, §651(a)(3), Oct. 28, 2004, 118 Stat. 1965; amended Pub. L. 114-328, div. A, title VI, §661(a), (f), Dec. 23, 2016, 130 Stat. 2169, 2172.)

PRIOR PROVISIONS

A prior section 2481, added Pub. L. 108-136, div. A, title VI, §652(a), Nov. 24, 2003, 117 Stat. 1522, related to the existence of defense commissary system and exchange stores system, prior to repeal by Pub. L. 108-375, div. A, title VI, §651(a)(1), Oct. 28, 2004, 118 Stat. 1964.

Another prior section 2481 was renumbered section 2686 of this title.