

**From the Senate Version of the FY2020 National
Defense Authorization Act (NDAA)**

S.1790

Passed by the Senate on June 27, 2019

**Subtitle E—Commissary And Non-Appropriated
Fund Instrumentality Benefits And Operations**

SEC. 641. DEFENSE RESALE SYSTEM MATTERS.

(a) **IN GENERAL.**—The Under Secretary of Defense for Personnel and Readiness shall, in coordination with the Chief Management Officer of the Department of Defense, maintain oversight of business transformation efforts of the defense commissary system and the exchange store system in order to ensure the following:

(1) Development of an intercomponent business strategy that maximizes efficiencies and results in a viable defense resale system in the future.

(2) Preservation of patron savings and satisfaction from and in the defense commissary system and exchange stores system.

(3) Sustainment of financial support of the defense commissary and exchange systems for morale, welfare, and recreation (MWR) services of the Armed Forces.

(b) **EXECUTIVE RESALE BOARD ADVICE ON OPERATIONS OF SYSTEMS.**—The Executive Resale Board of the Department of Defense shall advise the Under Secretary on the implementation of sustainable, complementary operations of the defense commissary system and the exchange stores system.

(c) **PRACTICES AND SERVICES.**—

(1) **IN GENERAL.**—The Secretary of Defense shall, acting through the Under Secretary and with advice from the Executive Resale Board, require the Defense Commissary Agency and the Military Exchange Service to identify and implement practices and services described in paragraph (2) across the defense resale system.

(2) **PRACTICES AND SERVICES.**—Practices and services described in this paragraph shall include the following:

(A) Best commercial business practices.

(B) Shared-services systems that increase efficiencies across the defense resale system, including in transportation of goods, application-based marketing initiatives and other mobile

electronic-commerce programs, facilities construction, back-office information technology systems, human resource management, legal services, financial services, and advertising.

(C) Integration of services provided by the exchange stores system within commissary system facilities, as appropriate, including services such as dry cleaning, health and wellness activities, pharmacies, urgent care centers, food, and other retail services.

(d) INFORMATION TECHNOLOGY MODERNIZATION.—The Secretary shall, acting through the Under Secretary and with advice from the Executive Resale Board, require the Defense Commissary Agency and the Military Exchange Service to do as follows:

(1) Field new technologies and best business practices for information technology for the defense resale system.

(2) Implement cutting-edge marketing opportunities across the defense resale system.

(e) INCLUSION OF ADVERTISING IN OPERATING EXPENSES OF COMMISSARY STORES.—Section 2483(b) of title 10, United States Code, is amended by adding at the end the following paragraph:

“(7) Advertising of commissary sales on materials available within commissary stores and at other on-base locations.”.

SEC. 642. TREATMENT OF FEES ON SERVICES PROVIDED AS SUPPLEMENTAL FUNDS FOR COMMISSARY OPERATIONS.

Section 2483(c) of title 10, United States Code, is amended by inserting “fees on services provided,” after “handling fees for tobacco products,”.

SEC. 643. PROCUREMENT BY COMMISSARY STORES OF CERTAIN LOCALLY SOURCED PRODUCTS.

The Secretary of Defense shall ensure that the dairy products and fruits and vegetables procured for commissary stores under the defense commissary system are, to the extent practicable, locally sourced in order to ensure the availability of the freshest possible dairy products and fruits and vegetables for patrons of the stores.