

Review of management, food, and pricing options for defense commissary system (sec. 634)

The House bill contained a provision (sec. 632) that would require the Secretary of Defense to conduct a review, utilizing the services of an independent organization experienced in grocery retail analysis, of the defense commissary system. The provision would also require the Secretary of Defense to submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing the results of the review not later than February 1, 2015.

A proposed amendment to the Senate committee-reported bill (amendment number 3866) contained a provision that would require the Secretary of Defense, not later than 90 days after the date of the enactment of this Act, to submit to the congressional defense committees a report on the impact that eliminating or reducing the commissary subsidy would have on eligible beneficiaries.

The agreement includes the House provision with an amendment that would require the Secretary of Defense to conduct a review, utilizing the services of an independent organization experienced in grocery retail analysis, of the defense commissary system to include the impact that eliminating or reducing the commissary subsidy would have on eligible beneficiaries. The amendment would also require the Secretary of Defense to submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing the results of the review not later than September 1, 2015.

LEGISLATIVE PROVISIONS NOT ADOPTED

Fiscal year 2015 increase in military basic pay

The Senate committee-reported bill contained a provision (sec. 601(a) and (b)) that would authorize an across-the-board pay raise for members of the uniformed services of 1 percent effective January 1, 2015.

The House bill contained no similar provision.

The agreement does not include this provision.

We note that the President has exercised his authority under section 1009(e) of title 37, United States Code, to implement an alternative across-the-board pay raise for members of the uniformed services for calendar year 2015 of 1 percent rather than the 1.8 percent that would otherwise be required under subsection (a) of section 1009.

1 price below the most competitive price for that product
2 in the local community.

3 (c) APPLICATION TO OVERSEAS DEFENSE RETAIL
4 SYSTEMS.—The regulations required by subsection (b)
5 shall direct that the price of a tobacco or tobacco-related
6 product sold in an outlet of the defense retail systems out-
7 side of the United States shall be within the range of
8 prices established for that product in outlets of the defense
9 retail systems inside the United States.

10 (d) DEFENSE RETAIL SYSTEMS DEFINED.—In this
11 section, the term “defense retail systems” has the mean-
12 ing given that term in section 2487(b)(2) of title 10,
13 United States Code.

14 **SEC. 634. REVIEW OF MANAGEMENT, FOOD, AND PRICING**
15 **OPTIONS FOR DEFENSE COMMISSARY SYS-**
16 **TEM.**

17 (a) REVIEW REQUIRED.—The Secretary of Defense
18 shall conduct a review, utilizing the services of an inde-
19 pendent organization experienced in grocery retail anal-
20 ysis, of the defense commissary system to determine the
21 qualitative and quantitative effects of—

22 (1) using variable pricing in commissary stores
23 to reduce the expenditure of appropriated funds to
24 operate the defense commissary system;

1 (2) implementing a program to make available
2 more private label products in commissary stores;

3 (3) converting the defense commissary system
4 to a nonappropriated fund instrumentality; and

5 (4) eliminating or at least reducing second-des-
6 tination funding.

7 (b) ADDITIONAL ELEMENTS OF REVIEW.—The re-
8 view required by this section also shall consider the fol-
9 lowing:

10 (1) The impact of changes to the operation of
11 the defense commissary system on commissary pa-
12 trons, in particular junior enlisted members and jun-
13 ior officers and their dependents, that would result
14 from—

15 (A) displacing current value and name-
16 brand products with private-label products; and

17 (B) reducing or eliminating financial sub-
18 sidies to the commissary system.

19 (2) The sensitivity of commissary patrons, in
20 particular junior enlisted members and junior offi-
21 cers and their dependents, to pricing changes that
22 may result in reduced overall cost savings for pa-
23 trons.

24 (3) The feasibility of generating net revenue
25 from pricing and stock assortment changes.

1 (4) The relationship of higher prices and re-
2 duced patron savings to patron usage and accom-
3 panying sales, both on a national and regional basis.

4 (5) The impact of changes to the operation of
5 the defense commissary system on industry support;
6 such as vendor stocking, promotions, discounts, and
7 merchandising activities and programs.

8 (6) The ability of the current commissary man-
9 agement and information technology systems to ac-
10 commodate changes to the existing pricing and man-
11 agement structure.

12 (7) The product category management systems
13 and expertise of the Defense Commissary Agency.

14 (8) The impact of changes to the operation of
15 the defense commissary system on military ex-
16 changes and other morale, welfare, and recreation
17 programs for members of the Armed Forces.

18 (9) The identification of management and legis-
19 lative changes that would be required in connection
20 with changes to the defense commissary system.

21 (10) An estimate of the time required to imple-
22 ment recommended changes to the current pricing
23 and management model of the defense commissary
24 system.

1 (c) SUBMISSION.—Not later than September 1, 2015,
2 the Secretary of Defense shall submit to the Committees
3 on Armed Services of the Senate and the House of Rep-
4 resentatives a report containing the results of the review
5 required by this section.

6 **TITLE VII—HEALTH CARE**
7 **PROVISIONS**

Subtitle A—TRICARE and Other Health Care Benefits

- Sec. 701. Mental health assessments for members of the Armed Forces.
- Sec. 702. Modifications of cost-sharing and other requirements for the TRICARE Pharmacy Benefits Program.
- Sec. 703. Elimination of inpatient day limits and other limits in provision of mental health services.
- Sec. 704. Authority for provisional TRICARE coverage for emerging health care services and supplies.
- Sec. 705. Clarification of provision of food to former members and dependents not receiving inpatient care in military medical treatment facilities.
- Sec. 706. Availability of breastfeeding support, supplies, and counseling under the TRICARE program.

Subtitle B—Health Care Administration

- Sec. 711. Provision of notice of change to TRICARE benefits.
- Sec. 712. Surveys on continued viability of TRICARE Standard and TRICARE Extra.
- Sec. 713. Review of military health system modernization study.

Subtitle C—Reports and Other Matters

- Sec. 721. Designation and responsibilities of senior medical advisor for Armed Forces Retirement Home.
- Sec. 722. Extension of authority for joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund.
- Sec. 723. Report on status of reductions in TRICARE Prime service areas.
- Sec. 724. Extension of authority to provide rehabilitation and vocational benefits to members of the Armed Forces with severe injuries or illnesses.
- Sec. 725. Acquisition strategy for health care professional staffing services.
- Sec. 726. Pilot program on medication therapy management under TRICARE program.
- Sec. 727. Antimicrobial stewardship program at medical facilities of the Department of Defense.
- Sec. 728. Report on improvements in the identification and treatment of mental health conditions and traumatic brain injury among members of the Armed Forces.
- Sec. 729. Report on efforts to treat infertility of military families.