



DEPUTY SECRETARY OF DEFENSE
1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

APR - 4 2022

MEMORANDUM FOR SENIOR PENTAGON LEADERSHIP
DEFENSE AGENCY AND DOD FIELD ACTIVITY DIRECTORS

SUBJECT: Way Forward for the Defense Resale Entities

References: (a) Deputy Secretary of Defense Memorandum, "Enterprise Management of the Defense Resale Enterprise," August 19, 2019 (hereby rescinded)
(b) Deputy Secretary of Defense Memorandum, "Enterprise Management of the Community Services Taskforce," May 29, 2018 (hereby rescinded)

The Army and Air Force Exchange Service, the Navy Exchange Services Command, the Marine Corps Exchange, and the Defense Commissary Agency (collectively, the Defense resale entities) play a vital role providing community services for our Service members and their families. The Department previously considered consolidating the Defense resale entities; however, recent studies have demonstrated that alternative approaches can realize the benefits of consolidation without the risks consolidation would bring to the mission of the Defense resale entities. Consequently, I am rescinding references (a) and (b) and directing the Department to cease all efforts to consolidate the Defense resale entities.

To continue to identify additional savings, synergies, and efficiencies, I direct the Under Secretary of Defense (Personnel and Readiness) to concentrate future efforts on facilitating structured collaboration and cooperative initiatives among the Defense resale entities. The Defense resale entities shall report at least two times per calendar year to the Defense Executive Resale Board concerning collaborative military resale efforts authorized by 10 U.S.C. § 2487(c) (e.g., marketing, buying, information technology), accomplishments, efficiencies gained, and savings. The Defense resale entities also shall report these accomplishments in their annual resale briefings to the Deputy Assistant Secretary of Defense for Military Community Family and Policy, who will work with the Director of Administration and Management concerning statutory reporting requirements, pursuant to section 911 of the National Defense Authorization Act for FY 2021.

For additional information regarding this guidance, the point of contact is Mr. Ryan Atkins, at (571) 372-6609 or ryan.c.atkins.civ@mail.mil.



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