

119TH CONGRESS
1ST SESSION

S. 1456

To amend title 10, United States Code, to establish requirements relating to long-term concessions agreements between the Secretary of Defense and retailers controlled by covered nations, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 10, 2025

Mr. BUDD (for himself, Mr. COTTON, and Mr. SCOTT of Florida) introduced the following bill; which was read twice and referred to the Committee on Armed Services

A BILL

To amend title 10, United States Code, to establish requirements relating to long-term concessions agreements between the Secretary of Defense and retailers controlled by covered nations, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Military Installation
5 Retail Security Act of 2025”.

1 **SEC. 2. PROHIBITION ON LONG-TERM CONCESSIONS**
2 **AGREEMENTS WITH RETAILERS CON-**
3 **TROLLED BY COVERED NATIONS.**

4 Chapter 363 of title 10, United States Code, is
5 amended by adding at the end the following new section:

6 **“§ 4664. Prohibition on long-term concessions agree-**
7 **ments with retailers controlled by cov-**
8 **ered nations**

9 “(a) PROHIBITION ON FUTURE CONTRACTS.—The
10 Secretary of Defense may not, on or after the date of the
11 enactment of this section, renew, extend, or enter into a
12 long-term concessions agreement with a retailer that is
13 controlled by a covered nation to permit the retailer to
14 operate or conduct business through a physical location
15 on a covered military installation unless—

16 “(1) the Secretary waives the prohibition with
17 respect to the retailer under subsection (c); or

18 “(2) the Committee on Foreign Investment in
19 the United States (in this section referred to as the
20 ‘Committee’) determines under subsection (d) that
21 the operation or conduct of such business by the re-
22 tailer will not detrimentally affect the national secu-
23 rity of the United States.

24 “(b) TREATMENT OF EXISTING CONTRACTS.—

25 “(1) IN GENERAL.—Not later than 180 days
26 after the date of the enactment of this section, the

1 Secretary shall review each long-term concessions
2 agreement with a covered retailer that permits the
3 retailer to operate or conduct business through a
4 physical location on a covered military installation—

5 “(A) to assess any direct or indirect rela-
6 tionships between the retailer (including any
7 subsidiaries or parent companies of the covered
8 retailer) and any covered nation; and

9 “(B) to determine if the retailer is con-
10 trolled by a covered nation.

11 “(2) TERMINATION.—If the Secretary deter-
12 mines under paragraph (1) that a covered retailer is
13 controlled by a covered nation, the Secretary shall
14 terminate the long-term concessions agreement with
15 the retailer not later than 30 days after making that
16 determination unless—

17 “(A) the Secretary waives the termination
18 of the agreement under subsection (c); or

19 “(B) the Committee determines under sub-
20 section (d) that the operation or conduct by the
21 retailer of business through a physical location
22 on a covered military installation will not det-
23 rimentally affect the national security of the
24 United States.

25 “(c) WAIVER.—

1 “(1) IN GENERAL.—The Secretary may waive
2 the prohibition under subsection (a) with respect to
3 a retailer or the requirement to terminate an agree-
4 ment under subsection (b) with a retailer if the Sec-
5 retary determines that—

6 “(A) the goods or services to be provided
7 by the retailer are vital for the welfare and mo-
8 rale of members of the Armed Forces and no
9 reasonable alternatives exist; and

10 “(B) the Secretary has implemented ade-
11 quate measures to mitigate any potential na-
12 tional security risks posed by the retailer.

13 “(2) REPORT.—Not later than 30 days after
14 each use of the waiver authority under paragraph
15 (1), the Secretary shall submit to the Committees on
16 Armed Services of the Senate and the House of Rep-
17 resentatives a report that includes a justification for
18 the use of such authority and a description of any
19 risk mitigation measures implemented under para-
20 graph (1)(B).

21 “(d) REVIEW BY COMMITTEE ON FOREIGN INVEST-
22 MENT IN THE UNITED STATES OF CERTAIN RETAILERS
23 CONTROLLED BY COVERED NATIONS.—

24 “(1) NOTICE REQUIRED.—Not later than 30
25 days after the date of the enactment of this section,

1 a covered retailer shall submit to the Committee a
2 notice that includes a description of any direct or in-
3 direct relationships between the retailer (including
4 any subsidiaries or parent companies of the retailer)
5 and any covered nation.

6 “(2) INVESTIGATION.—The Committee shall
7 conduct an investigation of the effects on the na-
8 tional security of the United States of each covered
9 retailer operating or conducting business through a
10 physical location on a covered military installation,
11 including an assessment of any direct or indirect re-
12 lationships between the retailer (including any sub-
13 sidiaries or parent companies of the retailer) and
14 any covered nation.

15 “(3) DETERMINATION.—Not later than 180
16 days after completing an investigation under para-
17 graph (2) with respect to a covered retailer, the
18 Committee shall submit to the Secretary a deter-
19 mination with respect to whether the retailer oper-
20 ating or conducting business through a physical lo-
21 cation on a covered military installation will det-
22 rimentally affect the national security of the United
23 States.

24 “(4) ANNUAL REPORTS.—A covered retailer
25 that receives a determination under paragraph (3)

1 that the operation or conduct by the retailer of busi-
2 ness through a physical location on a covered mili-
3 tary installation will not detrimentally affect the na-
4 tional security of the United States shall submit to
5 the Committee, not less frequently than annually,
6 disclosures regarding any change in the ownership
7 structure of the retailer that may affect whether or
8 not the covered retailer is controlled by a covered
9 nation.

10 “(e) TERMINATION.—The Secretary shall terminate
11 a long-term concession agreement with a covered retailer
12 if the Secretary determines that the retailer—

13 “(1) has failed to comply with the requirements
14 of subsection (d); or

15 “(2) has misrepresented the ownership or con-
16 trol of the retailer in order to evade the prohibition
17 under subsection (a) or the requirement to terminate
18 an agreement under subsection (b).

19 “(f) DEFINITIONS.—In this section:

20 “(1) The term ‘controlled by a covered nation’
21 means, with respect to a retailer, that—

22 “(A) the retailer is organized under the
23 laws of a covered nation or any jurisdiction
24 within a covered nation;

1 “(B) a covered nation owns 20 percent or
2 more of the equity interest in the retailer; or

3 “(C) the retailer is subject to the direction
4 or control of a covered nation.

5 “(2) The term ‘covered military installation’
6 means a military installation (as defined in section
7 2801 of this title) located in the United States.

8 “(3) The term ‘covered nation’ has the meaning
9 given that term in section 4872 of this title.

10 “(4) The term ‘covered retailer’ means a re-
11 tailer that is performing a long-term concessions
12 agreement on or before the date of the enactment of
13 this section.

14 “(5) The term ‘long-term concessions agree-
15 ment’ means a contract, subcontract (at any tier), or
16 other agreement, including a lease agreement or li-
17 censing agreement, to operate a business through a
18 physical location on a covered military installation
19 entered into by—

20 “(A) the Secretary of Defense or a Sec-
21 retary of a military department and a person,
22 including a nonappropriated fund instrumen-
23 tality; or

24 “(B) a person and a nonappropriated fund
25 instrumentality.

1 “(6) The term ‘nonappropriated fund instru-
2 mentality’ has the meaning given that term in sec-
3 tion 2488 of this title.

4 “(7) The term ‘retailer’ means—

5 “(A) a nonappropriated fund instrumen-
6 tality that operates or seeks to operate a busi-
7 ness through a physical location on a covered
8 military installation; or

9 “(B) any other person that operates or
10 seeks to operate a business on a covered mili-
11 tary installation under a contract, subcontract
12 (at any tier), or other agreement, including a
13 lease agreement or licensing agreement, with—

14 “(i) a nonappropriated fund instru-
15 mentality;

16 “(ii) the Secretary of Defense; or

17 “(iii) a Secretary of a military depart-
18 ment.”.

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