



The Coalition to Save our Military Shopping Benefits

June 1, 2015

The Honorable John McCain
Chairman
Senate Committee on Armed Services
Russell Senate Building, Room 228
Washington, D.C. 20510

The Honorable Jack Reed
Ranking Member
Senate Committee on Armed Services
Russell Senate Building, Room 228
Washington, D.C. 20510

The Honorable Lindsey Graham
Chairman
Senate Armed Services
Subcommittee on Personnel
Russell Senate Building, Room 228
Washington, D.C. 20510

The Honorable Kirsten Gillibrand
Ranking Member
Senate Armed Services
Subcommittee on Personnel
Russell Senate Building, Room 228
Washington, D.C. 20510

Dear Chairmen and Ranking Members,

The Coalition to Save our Military Shopping Benefits represents millions of active duty service members, National Guard and Reserve, retirees, veterans, military families, survivors, and persons with disabilities. We strongly urge the Senate to roll back multiple attacks on the commissary benefit proposed by the Pentagon and passed by the Senate Armed Services Committee in the Committee's version of the FY16 National Defense Authorization Act.

These Committee actions set in motion price increases and would severely damage a benefit long cherished by millions of beneficiaries who rely on commissaries to stretch their household budgets by providing a 30 percent discount on their groceries. These cuts also occur without the benefit of a report requested by the Committee in the FY15 National Defense Authorization Act that has yet to be provided to Congress.

We also strongly oppose the Committee proposal that directs the Department of Defense to conduct a report on commissary privatization and the two-year pilot program on five major installations. Privatizing commissaries to outside profit making grocery chains places military families' relied-upon savings at the whim of private industry and squanders billions of dollars worth of commissary stores that military families have paid

for out of their own pockets. Furthermore, we fear private industry will cherry-pick the larger military grocery stores and set the smaller ones adrift, disrupting the existing supply chain that anchors support for overseas and remote U.S. stores.

Pentagon leaders have made it clear by their budget submissions they no longer plan to provide a non-pay compensation benefit through the commissaries. DoD's cuts will dismantle the commissary benefit, relied upon by millions of military service members and their families, and will severely impact those who need it most—junior enlisted families, fixed income retirees, and surviving families. Diminished savings at commissaries will reduce traffic at exchange operations and damage their ability to finance essential military community support programs.

Commissary and exchanges are a vital part of military pay and compensation. The military community greatly value and use these earned benefits. They consistently rank them as a top compensation benefit, yielding returns to patrons and the DoD that far outweigh taxpayer support. Moreover, service members and their families are partners with taxpayers, having financed billions of dollars in facilities and quality of life programs.

We recognize that all Defense programs must strive for efficiency and commissaries have done just that, having reduced operating costs nearly 40 percent. Military resale programs also provide critical jobs for military families and veterans—over 60 percent of employees are military connected—and provide healthy living alternatives both stateside and overseas.

The Coalition believes the military resale benefit is the benchmark for our nation's commitment to our families that sacrifice the most for our freedom. We thank Congress for rejecting the \$200 million cut proposed by the DoD last year, and continue to urge you to take great care not to allow radical and irreversible changes to these critical benefits without looking at the facts, assessing a broad range of direct and indirect consequences, and to upholding the promise made to our service members and their families.

Sincerely,

Member Organizations, The Coalition to Save Our Military Shopping Benefits

Fleet Reserve Association (FRA)
National Military Family Association (NMFA)
Military Officers Association of America (MOAA)
The Retired Enlisted Association (TREA)
Association of the United States Army (AUSA)
American Veterans (AMVETS)
United States Army Warrant Officers Association (USAWOA)
Jewish War Veterans of the United States of America (JWV)
Association of the United States Navy (AUSN)
Air Force Sergeants Association (AFSA)
Military Partners and Families Coalition (MPFC)
National Association for Uniformed Services (NAUS)
American Military Retirees Association (AMRA)
The American Military Partner Association (AMPA)
American Logistics Association (ALA)
Armed Forces Marketing Council (AFMC)