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To the Honorable Chairman and Distinguished Members of the Subcommittee:

The American Logistics Association (ALA) is pleased and honored to appear before you today. For 90 years ALA has worked to promote, protect and enhance the military resale and quality of life benefits on behalf of our members and the military community.

Under the leadership of Mr. Ed Brunot, Executive Vice President of SpartanNash, President of Military Distributors of Virginia and Chairman of the Board, the ALA is proud to represent 250 of America's leading manufacturers, numerous brokers and distributors, service companies, media outlets and more than 1400 individual members who are actively engaged in providing goods and services to our resale customers, MWR activities for our military, including Coast Guard, and Veterans.

Our growing affinity organization, known as The Coalition to Save Our Military Shopping Benefits, represents nearly 2 million service members, veterans, and their families; and is comprised of some of the largest, oldest, and most trusted military and veterans' service organizations in the country, as well as those representing our newest veterans and military family members.

I first want to thank you Mr. Chairman, Ranking Member Davis, all of the members of the Personnel Subcommittee and the full Armed Services Committee for your consistent and unwavering support of our military and their families. You have sounded the clarion call on the need to protect the full range of benefits provided to our military people:

They earned it.

They deserve it.

And, they value and appreciate it.

We are honored to appear before you along with distinguished DoD leaders, our business partners—the leaders of the commissary, exchange, and morale, welfare and recreation programs of the Department of Defense, and our colleagues from the Armed Forces Marketing Council.

We all share a common purpose and commitment to work together to strengthen the foundation of this program so that it can endure any challenge. This partnership represents the best that America offers and is a shining example of what can be accomplished when Government and American business get together for a common purpose.

We will continue to remind leaders of the four-pronged value of these benefits:

- 1) Reciprocating for the dedicated service of millions of military personnel and their families;
- 2) Supporting the military mission by providing a cost-effective benefit with a high return in retention of quality people;
- 3) Providing a high return on investment for resources spent providing these benefits; and,
- 4) Providing a powerful engine to revitalize the American economy and provide jobs for American citizens including military family members.

It is a system that works. It provides tremendous value to patrons and taxpayers alike and demonstrates what can be done when the best of government comes together with the best of the private sector to provide for the best people in the world—the United States military and their families.

The sun never sets on the military's resale system. Every day from the mountains of Afghanistan to embassies to ships sailing across the globe to the Demilitarized Zone in

Korea to the Horn of Africa and hundreds of staging and training bases, tens of thousands of dedicated employees provide for the daily needs of millions of our best citizens who spend nearly \$50 million of their hard-earned dollars each and every day in their stores—stores they have built—stores where their friends and neighbors and colleagues work. It is a living, breathing, commerce ecosystem that has evolved and thrived with the support of this Committee and other leaders over the past 150 years. ...a commerce engine that gives back far more than it receives and annually plows hundreds of millions back to the very communities they serves. And our industry is proud to be a part of this noble enterprise. I hope my testimony will give you a glimpse of just how much this system means to our Nation and our military and security structure.

We are working with the Administration to demonstrate how these programs support their National economic and military family support objectives to include hiring Veterans and military spouses, the First Lady's child nutrition and military family support, the DoD's Healthy Base Initiative efforts, and developing and articulating already existing industry-agency partnership programs that support these objectives.

ALA member companies have a huge stake in the well being and viability of the exchange and commissary system. For commissaries, we represent 90 percent of the supply chain all the way from manufacture to distribution to stocking shelves in the stores. Our presence in the supply chain for the exchanges is substantial as well. And, we provide the system with in excess of \$500 million in annual in-kind and direct support.

We are grateful to you and members of the Committee for fully funding appropriations for commissaries and exchanges in the fiscal year 2013 Defense Authorization Bill. While this support has been constant for as long as we can remember, we don't take it for granted. We know the hard choices and trade-offs that you have to make, and we know that these choices aren't coming any easier.

And, when the call has to be made, you have always sided with the recognition that these benefits are a good deal for the taxpayer, a good deal for the American people, and a great deal for the patrons.

President Obama said it best at Camp Pendleton this past August when commissaries were closed due to the furloughs, he said:

“...the commissary your families rely on closed a day a week. We can do better than that. That’s not how a great nation should be treating its military and military families.”

The President recognizes the value of commissaries but it appears that some in his Administration haven’t gotten the memo. As we sit here today, there are budget scenarios working that would cut anywhere from one-third to two-thirds of the commissary budget.

Mr. Chairman—we don’t operate in a bubble. We are sensitive to the challenges that the Department of Defense is facing and the tough choices that have been forced on the Pentagon by unprecedented reductions in the trajectory of DoD spending.

We know that resale programs have to share in the mission of marshaling these ever-limited Defense resources to meet threats and support the National Military Strategy. We know that resale programs have to step forward and economize along with the rest of the DoD structure to meet major fiscal challenges including the Budget Control Act sequester. We, along with a multitude of organizations have been active in urging both the Executive and Legislative Branches to end the impasse over spending and lift the sequester.

Commissaries have shared in the across the board reductions of the sequester and, along with other agencies, have taken their share of the cuts. But, some in the Department of Defense have other ideas. They want to cut commissaries way out of proportion to other defense programs.

And, despite all of the challenges, we can report that the system is strong—providing high value and savings to patrons, high sales, and increased exchange earnings flowing to re-capitalization and vital community support programs. We also are encouraged by the promise of digital initiatives and e-commerce that promise to bring even more value to a wider base of deserving patrons.

Mr. Chairman, the fact is that commissaries have not only shared in the sequester and other reductions over the past couple of years, they have consistently sacrificed at the budget altar. Consider for a moment:

- Commissaries are the only benefit that shrinks correspondingly with base closures and over 170 of the 420 stores have since the fall of the wall.
- The reason we have a consolidated Defense Commissary Agency is that DoD, in 1990, recommended it to gain efficiency—and it has. A total operating cost savings of \$702 million has been realized from 1992 through 2012.
- In 1996, Congress and the Administration agreed to outsource much of the supply chain to the private sector, returning hundreds of millions to the Department in inventory stock fund savings.
- And the hits just keep on coming. For the past successive 10 years, the dedicated folks at DeCA have stepped up and delivered on a wide range of efficiency initiatives, cutting costs wherever they can be found in order to maintain wide patron savings margins at a reduced cost.
- DeCA's operating efficiencies and initiatives such as the transfer of overseas distribution and produce procurement functions from Defense Logistics Agency (DLA); frequent delivery systems and direct store delivery; labor savings associated with a central meat processing plant in Europe; second destination transportation reductions; the standardization of processes; case ready meat; delivery ticket invoicing; and resale

ordering agreements produced cumulative savings of \$152M.

- Probably the biggest aspect of vendor support is in the distribution system. In the continental United States, DeCA uses commercial distributors. Before consolidation the individual Services used different systems, including extensive DLA operations. As a (DISA), and the Defense Transportation System produced savings of \$91.1M.
- Workforce restructuring efforts such as A-76, in-sourcing, store level most efficient organization (MEO), store associates job classification-workforce flexibility and business process reengineering of the resale accounting function saved \$76.1M.
- As a result of the Secretary of Defense savings initiative in FY 2011, DeCA reduced \$10M and 89 FTEs in savings, all above store level. The highlight of this effort was the reorganization of three store regions into one Store Operations Group, further reducing overhead management structure. In addition to the efforts above, BRAC and other store closures over the years have resulted in reductions totaling \$200.6M and 4,181 FTEs. Adapting the common commercial practice of Delivery Ticket Invoicing to reduce bill paying costs and working with DFAS.
- The consolidation of the four Services commissary systems realized an immediate savings of \$50M in FY 1992.
- Military billet to civilian employee conversions have realized \$36.6M in savings.
- Reorganization efforts such as DeCA Region restructuring from seven (7) regions to three (3), consolidating support functions at HQ, and reorganizing HQ staff resulted in savings of \$286.7M and 822 FTEs.

- Had these cost reductions not taken place, the trajectory for the commissary costs would have taken it over \$2 billion a year.
- It is the only benefit in DoD that has been reduced in costs in real terms.
- And, they are accountable, having a clean audit for 13 years running.

And, you will hear today from our resale partners about all of the things they are doing to continue to provide the best for the best in this constrained environment. The list of economies, innovation and pro-active efforts to provide for our military folks is long and impressive—and we are proud to be part of it. ALA has stepped forward with our resale partners to squeeze all possible efficiencies out of the supply chain. We have established a Supply Chain task Force headed up by David Sisk of Proctor and Gamble and have engaged the commissary and exchange agencies to explore improved sourcing and distribution methods from manufacture to the shelf.

But I want to get right to the point: We are alarmed by what we have been hearing and seeing in recent months. Misinformed budget cutters are refusing to acknowledge the contributions made by these programs and the financial sacrifices that have been made over the years.

Keep in mind, commissaries and exchanges are businesses—efficiency is built into their business DNA. Every decision from the highest-level employee to the lowest is aimed at cutting costs and enhancing the return to the patron.

These programs were efficient when efficiency wasn't cool.

These programs have a history of cost cutting and accountability unmatched by any organization in DoD and Government at large, and by most private sector companies.

This is a model to emulate, not decimate. It's part of the solution to the budget problem, not the source of the budget problem. We challenge any program in the

Department of Defense to come forward and show if they can deliver more bang for the buck than these programs.

Instead of thinking of ways to dismantle the system, Pentagon leaders would be well advised to think of ways to replicate the practices and principles of these programs onto their other programs. Simply put, if the DoD didn't have this model for delivery of a program, they'd want to create it.

We saw this budget battle coming. We knew that numbers would matter. We recognized that we could not count on mere compassion for our military families and the vital mission support nature of these programs to prevail on its own. That's why we commissioned and completed an economic review of the system. When we commissioned the report, we set out to show the high return to the DoD and the Nation that these programs have for the resources provided them---and we expected it to be substantial. But we had no idea how substantial.

But some folks are determined not to let the facts get in the way of their suppositions. They conveniently discount these contributions to realize some short-term gains in outlays for other purposes, not realizing that they are eating their seed corn—not realizing that they are tampering with a business ecology that has sustained the military community for well over 150 years.

Please let me share with you some of the findings with specific regard to commissaries:

- Represent a partnership between the public and private sector, taking advantage of a private sector supply chain that contributes nearly \$500 million a year in discounts and services.
- Represent a partnership between the beneficiaries and the DoD with these beneficiaries already contribute to and offset nearly 20 percent of the operating costs.

- Is a cherished and well-used benefit with 90 percent of active duty families using it last year and over 98 million customer transactions.
- Large operations in the United States anchor and indirectly underwrite operations in remote and overseas areas—equalizing the benefit no matter where our people serve.
- Are a flexible benefit that expands and contracts with the size of the force structure with nearly 170 of the stores closed corresponding with successive rounds of BRAC and force realignment over the years.
- Have a declining budget, with funding for the benefit remaining stable and dropping in real terms during the Defense budget ramp-up and even when the number of eligible beneficiaries increased, taking hundreds of millions in annual costs out of the system through closures and efficiencies.
- Allow the Department to economize on cost-of-living allowances and personnel and operating costs in other areas such as direct pay and transportation.

With regard to the commissary and exchange systems the report findings are:

- \$4.5 billion in annual savings to military patrons.
- Reduced cost of living allowance payments by over \$738 million per year.
- Promotes the sale of nearly \$3.7 billion annually in U.S. products overseas.
- Provides \$330 million in vital community support funding for military installations.
- The system makes a major contribution to National Security, supporting deployed forces, often in forward combat areas valued at \$117 million annually.
- Is one of the most efficient organizations in Government with over \$700 million in annual efficiencies.
- This includes \$10.51 billion in economic benefit to military service members and families for a \$5.97 return for every dollar of appropriations used.

- When direct cash contributions by the system to the government are measured against the appropriations spent, the system yields \$373 million per year in proceeds to the government.
- Military personnel are shareholders in their own resale programs. A portion of their paid transaction is allocated to recapitalization, saving the taxpayer money and building military family equity. Over the past 20 years, this investment in facility and other capital investments have amounted to \$12.5 billion. The total amount of shareholder equity in the system is estimated at \$12 billion.
- Costs for these programs have been kept constant or dropped in real terms in the past ten years while costs of other DoD programs have doubled and even tripled. Yet, commissaries and exchanges rank near the top for reasons military personnel stay in the service.
- This system produces \$10.97 billion in annual economic benefit to the Department of Defense for the \$1.757 billion provided in taxpayer support, a \$6.24 return for every \$1.00 of appropriations used.
- Military families benefit from the system with a \$10.51 billion in annual economic benefit to military service members and families for a \$5.97 return for every dollar of appropriations used.
- The system makes a major contribution to National Security, supporting deployed forces, often in forward combat areas valued at \$117 million annually.
- Provides employment for tens of thousands of military family members, making a major contribution to household income.
- Greatly reduces training costs by helping keep good people in the Service.
- Reduces telecommunications costs to military personnel and DoD by \$250 million annually.
- Provides nearly \$600 million in Federal tax income to the Treasury from over \$4.6 billion in salaries.
- Greatly reduces training costs for DoD by helping to keep good people in the service.

- The resale system is the only benefit provided by DoD to its personnel and their families where costs to the government decline the more it is used.
- Is a powerful engine behind the U.S. economy, providing nearly \$18 billion in gross domestic product.
- Ranks at the top in accountability to patrons and the taxpayers with clean audits and financial statements.
- Is the only benefit provided by DoD to its personnel and their families where costs to the government decline on a per unit basis the more it is used.
- Employs tens of thousands of military family members, contributing to military household income.
- Creates thousands of American jobs and markets billions of dollars worth of American-made product overseas.
- Is the leading employer in the nation for Veterans.
- Supports a multitude of benevolent causes and is a leader in the nation in small business usage and employing disadvantaged, including the blind and disabled.
- Is a leader in socio-economic and green initiatives in the government

Mr. Chairman, we are not afraid of analysis. We are afraid of the lack of analysis. We are afraid that some will draw a straight line through the budget without carefully considering the dimensions and implications of what they are doing.

Mr. Chairman and members of the Committee—keep in mind that as big a contribution that these programs make and the long and proud tradition of service, they are perhaps the most fragile and vulnerable of all benefits. This is because of the way they are funded. They are at ground zero of the fast spending, outlay rich operation and maintenance funds that are most vulnerable to reductions. The commissary appropriation is not an entitlement in the sense that health care, retirement, pay and other benefits that are protected by the law. While there are rules for administering the programs in Title

10, there is no floor on funding and while the law says that goods must be sold at cost, DoD can de-fund the programs at any time.

Also vulnerable are nonappropriated funds. This committee has a long-standing tradition of safeguarding the nonappropriated fund trust and worked to establish boundaries over the use of these funds. These funds are generated from the earnings of MWR and exchange programs. Essentially, military folks tax themselves to provide funds for the modernization of their own facilities. As pressure builds on the budget, there is a great temptation to use these funds for purposes other than why they were generated to backfill shortfalls in other base operations areas. Any inappropriate diversion of these funds is a disservice to the troops and, in turn, exerts great pressure on exchanges to provide dividends and reduce their capital expenditures. We urge the committee to be vigilant and continue its active oversight of the sources and application of these funds.

Let me say a few words about the DeCA work force. We are awed and amazed by their resilience and dedication. During the past year the warmth and compassion that they demonstrate for the patrons they serve has been met with an arctic blast: hiring freezes, travel freezes and pay freezes. They have been furloughed, criticized, and burdened by more work and less resources. Yet, they have consistently picked themselves up, dusted themselves off, and have rolled up their sleeves and gone to work making sure that our troops and their families do not go wanting. We are proud to be associated with them. They are the faces behind the bases. They are public servants in the best sense of the word.

While exchange NAF employees have not felt the drastic fits and starts that their DeCA civil service colleagues have, they nonetheless have stepped up and gone to work each day to answer the call.

This past August, when the sequester forced furloughs one day a week and this past October when commissaries closed for five days, we heard from service members, veterans, and their families. Allow me to share with you with some of their comments:

- *“As a military member I use the commissary every time I go shopping. I have a wife and a child and we are expecting another. The commissary has helped us save money over the years by providing goods tax free. These are rights that we deserve.”*
- *“The commissary is a huge benefit for retirees and active duty alike. The widows/widowers are only receiving a portion of the military retirement check which does not go very far. The commissary makes a huge difference in these lives. Overall savings of 30-40 percent were just verified during the shutdown when stores were forced to close. I purchased two bags of essentials at a local Wal-Mart and was suffered serious sticker shock.”*
- *Please don't take away our commissaries!!! We have been in the Navy for 5 years, and the day my husband went to boot camp, I quit working. The only thing that has allowed for this is the prices at the commissary! A lot of us are on one income - especially those of us with smaller children at home. Daycare prices are high, making it less cost efficient for us to work. Having one parent gone frequently, the kids, and the military spouse need someone at home they can count on to be there whenever needed. If you take away the commissaries, a lot of military members will lose that full time support and moral will suffer with that loss...”*
- *“All my husband ever wanted to do is to fight for his country. But he got sick and was only able to serve 8 1/2yrs in the Army. We went through difficult times. Being able to shop at the PX and Commissary helps financially. I have been working on Post for the last 8 yrs. So many employees including me would lose their jobs.”*

- *The commissary has always been an important benefit to my family. I have served as both an active and National Guard soldier in times when money was short, salary was tight and the commissary was the difference maker for the family in the decision to continue to serve. It has often been the one positive thing to benefit the family in return for the hardships and absences they dealt with as a result of serve.”*
- *“Commissaries are one of the most important benefits that military members earn. After retirement from active service, the commissary was the one benefit that continued to provide for our family. To take away this valuable benefit from our service members and retirees would be a slap in the face to them. It is a benefit that we have earned and we want to keep.”*
- *“I served 28+ years before being medically retired. When I decided to make the US Army my career, I was promised free, life- long medical care and life-long access to the PX and commissary. I earned those promises and fully expect them to be honored.”*
- *“I retired after 20 years of service. I am not able to work a full 40-hour workweek at this time due to my special needs daughter and I need to be here for her after school. I cannot afford to pay someone to be here for her. I am fortunate to even have a job that will work with my hours that I can work. My budget is tight as I am a single parent of three and the commissary helps me to feed my family.”*

In addition to these comments, during the government shutdown, military families demonstrated the importance of the commissary benefit through their actions. Before commissaries closed stateside on October 2nd, military families rushed to their local commissaries to stock up on groceries. Total sales on October 1st were a staggering \$30.6 million – more than double the normal sales volume, and the highest sales day since 2000. Stateside stores accounted for \$26.3 million or 85 percent of the total sales. These numbers alone demonstrate how important the commissary benefit is to military families wherever they are stationed.

We want to congratulate Congress on establishing the Military Retirement Modernization and Compensation Commission. We believe that the commission will recognize the great contribution that these programs make to military families and their value in relation to other Compensation items. The Commission needs to do its work, and the Department shouldn't make decisions that cannot be reversed in the frenzy to find savings.

Over the past three years there have been several assaults on the commissary benefit. These assaults have at their core what we believe to be a dangerously flawed report by the Congressional Budget Office that is fraught with flawed assumptions that – on the surface – could lead some to believe that savings can occur without a cost.

We unequivocally challenge this report, its assumptions, and findings. There is a cost -- a major cost – to their suggestions. And, not only are their assumptions flawed, they conveniently ignore a multitude of factors that clearly demonstrate that unraveling this system and upsetting the equilibrium will have a devastating reverberating effect on the very core of the military community.

When you examine the other factors, the report found, the CBO report recommendations actually cost the Government and the Nation. The CBO estimated savings of \$9.1 billion over ten years. Our analysis shows that the costs to the Nation for implementing the CBO analysis would be \$69 billion over ten years and the cost to DoD would be \$41 billion a year. When the cost of the \$660 million grocery allowance is added, the cost to the Nation rises to \$76.47 billion per year.

Item: The military resale benefit is the only benefit that increases its value to the Department of Defense the more it is used. The infrastructure exists. The taxpayers and patrons have sunk nearly \$40 billion into this existing infrastructure. Every family that uses these benefits saves \$7,000 a year by using the benefits. That's \$7,000 that goes directly to the bottom line of military households. It's real money in their pockets. It's a new car. It's a college education. It's money for furniture or a house payment.

Collectively, the savings by shopping at these stores throws nearly \$4 billion a year to the bottom line of military family households. For each 100,000 additional families that use the benefit, DoD gains in compensation value \$700 million.

In the aggregate and on the surface, the CBO report may have some appeal. But dissect its component part and one can begin to see how dangerous it is.

Item: They say that you can convert the current commissary workforce to nonappropriated fund employees. Yet they do not take into account the carriers of these valued employees and nowhere do they quantify or substantiate how these savings would materialize.

Item: They say that consolidation would eliminate duplicative functions. Yet they ignore a wide body of evidence to the contrary that show that savings from consolidation are illusory.

Item: CBO says that budget authority to operate the combined system would drop by \$2 billion. Hard to believe, especially when you consider that they entire appropriation is less than \$1.6 billion.

Item: The CBO formula calls for a third of the \$2 billion to be returned to active-duty service members in the form of a tax-free grocery allowance. Where would this grocery allowance be spent—at higher cost grocery outlets, thereby negating the benefit of doing it in the first place?

Item: CBO would have patrons paying 7 percent more for their groceries and other merchandise. This would effectively decrease patronage and reduce the economies-of-scale of the entire enterprise with a residual additional cost increase.

Item: CBO says that active duty members and families would pay about \$400 more per year, offset by the grocery allowance. We believe the cost would be far higher and would not approach being offset by the allowance.

Item: CBO says that families would benefit from longer store hours—difficult to understand when funding for store hours would be sharply curtailed.

Item: The grocery allowance would be provided only to active-duty enlisted personnel. This completely disenfranchises all officers, all retired personnel, all National

Guard and Reserve families, all Medal-of-Honor Recipients, all disabled Veterans, and all Surviving families.

Item: They say that the system would be better able to compete with civilian alternatives. How is this possible when prices would be higher?

And, although some would like to make this strictly a numbers game, it's not:

- Our military is coming off fighting two wars and service men and women and their families are under great stress.
- There has been a near 70 percent increase in food stamp redemption in these stores as some military families struggle to make ends meet.
- Military compensation is being squeezed in other areas including pay and health care.
- This system provides much needed care for those deployed and care for those left at home.
- A multitude of benevolent causes are supported through this system including USO, Fisher House, military families, scholarships, Veterans jobs, and wounded warriors.
- The system fosters much needed employment of Veterans, wounded warriors, and military family members, adding substantially to the financial well-being of our military community.

And, let's look at the National Security Case:

- The military resale system is ingrained in OSD fabric and is not inextricable without a major cost.

- It adapts to force structure and basing changes to the military at a cost to the capital investments that the patrons have made.
- It underpins transportation system, aiding in economies of scale for the shipment of all DoD products to overseas locations.
- The system helps military living off base to maintain ties with installations.
- The resale system support deployed forces, often in forward combat areas with over 95 sites in theater. Many workers in the resale system have deployed in harms way. This includes tactical exchanges and ship stores ashore and afloat for our forward deployed Navy folks.
- The system has to be all things to all people worldwide 24-7.
- The resale benefit helps keep good people in the service aiding in retention—no small contribution considering that it costs \$150,000 to \$200,000 to train a troop and over \$1 million for pilots, doctors, specialists.

In order to protect these critical earned benefits, the ALA established *The Coalition to Save Our Military Shopping Benefits*. The Coalition works to ensure service members, veterans, and their families have a voice in shaping policies that impact our nation's ability to sustain a healthy and vibrant military resale system. This effort is led and orchestrated by Candace Wheeler, a well-known military family advocate. Our growing number of Valued Associate members include: National Military Family Association, Military Officers Association of America, Iraq and Afghanistan Veterans of America, National Guard Association of the United States, Reserve Officers Association, The Retired Enlisted Association, Armed Forces Marketing Council, National Industries for the Blind, and many others. The ALA Board is grateful for their support and advocacy. The Coalition now represents nearly 2 million service members, veterans, and their families but every military family member, veteran, and concerned citizen is our

partner in this important undertaking. We have established a Coalition website – www.saveourbenefit.org – that promotes the use of the benefit and provides information on any threats to the system.

A major initiative of the Association in the past year has been the commitment by ALA and its member companies to hire 25,000 Veterans and family members. On October 21, 2012, The President and Mrs. Obama traveled to Langley Air Force Base to announce one of the first major initiatives to hire Veterans and military family members. ALA committed to hiring 25,000 within two years. I am happy to report that we met and exceeded this objective and we are committed to hiring more.

And, Mrs. Obama said that the ALA commitment was “the largest coordinated effort by the private sector to hire Veterans and family members we’ve seen in years, maybe ever.” We set up a website –www.alajoiningforces.org -- that provides resources for hiring Veterans and family members including tax breaks and incentives passed by the Congress in the Three Percent Withholding Repeal and Job Creation Act of 2011.

Here again, we are grateful for all of the companies and organizations that have stepped forward to make this happen. This includes the volunteer work of Ms. Robbie Rich who is working with the ALA and member companies to help Veterans and family members get good paying jobs in this industry. This was a significant development for the ALA as it represented the first time that the Chief Executive acknowledged the contributions to the Nation of the military resale agency and industry partners.

Legislative issues

We appreciate and support the extension of the authority to provide commissary and exchange benefits after separation from service. This authority will provide much needed economic assistance for military people at a very vulnerable time.

We believe that the Congress should resist efforts to control product availability for military personnel that is out of sync with that which is available in the civilian

marketplace. Military personnel should have access to the same products that are available to the citizens they defend.

We urge you to:

- Continue your support for funding of commissaries, shipment of American products to our overseas bases, and full support for all authorized categories of morale, welfare and recreation programs.
- Encourage the Treasury Department to exercise the authority provided by the Congress in accessing the Federal Financing Bank to help finance exchange programs.
- Support efforts for an affordable and expedient method for industry partners to have access to military bases. Our objective is one affordable card that is accepted at all bases. Continue your support for authorization for appropriations for commissary, exchange and other nonappropriated fund construction at bases that are expanding as a result of global re-stationing and BRAC.
- Support efforts by the exchanges and commissaries to reach out to National Guard and reservists who live in communities where they cannot readily access on-base services.
- Support expanding the eligibility to use these stores to more Veterans. We need to capitalize on the billions of dollars in investment that taxpayers and military people have made over the years to provide a helping hand to those who now need it most. We urge you to move to provide transition benefits to a larger group of Veterans and service members returning from multiple overseas deployments, and suggest that this benefit be provided to all former military and their families for at least three years. Congress has directed a study of expanding the benefit to include more disabled veterans. ALA supports this expansion.

- Remove any restrictions on products and services that may be offered to authorize patrons.
- Ensure that any legislation that is passed to benefit military MWR and resale programs extend to the Coast Guard and the Department of Veterans Affairs where appropriate. Support supply chain initiatives that drive the lowest cost of goods for the military resale system while recognizing the importance of the vendor/broker/distributor support network that is unique to the military resale system.
- Ensure that positive policy and legislative changes are extended to the Veterans Canteen Service and the Coast Guard exchange and MWR programs.

We know that you share many of our concerns for these programs and we look forward to working with the Subcommittee toward ensuring that these benefits remain viable for our deserving beneficiaries.