



## **Military Patrons Take Action ...**

More than 26,000 advocacy messages have been sent from patrons to Congress thus far to oppose the cuts to the commissary benefit, pay raises, basic allowance for housing, and TRICARE as part of the Military Officers Association of America (MOAA) #BudgetBattle campaign. The Coalition participated in the MOAA virtual town hall event to help provide information, field questions and address concerns about the proposed defense budget and the affects on military families' purchasing power.

## **Coalition and Valued Associates Advocacy and Actions...**

Coalition Valued Associate member organizations, the Military Officers Association of America, Fleet Reserve Association, Reserve Officers Association, and the National Military Family Association testified March 26<sup>th</sup> before the Subcommittee on Personnel of the Senate Armed Services Committee as part of the second panel of witnesses representing The Military Coalition (TMC) – comprised of 33 organizations representing more than 5.5 million members of the uniformed services--active, reserve, retired, survivors, veterans--and their families.

In their opening statements, each of the associations focused on specific concerns of The Military Coalition. Kathleen Moakler, Government Relations Director for the National Military Family Association and Co-Chair of the TMC Personnel, Compensation, and Commissary Committee addressed the TMC's concerns with the proposed drastic cuts to the commissary benefit. In her opening remarks she stated that "Commissaries are an important part of compensation reform and that for every \$1 in appropriations, military families realize \$2 in savings. Why would Congress want to tinker with a successful program?"

In addition to appearing before the Subcommittee, each of the associations submitted written testimony, as well as joint TMC testimony which strongly supports the DoD Resale Operations:

The Military Coalition strongly believes military commissary, exchange and Morale, Welfare and Recreation (MWR) programs contribute significantly to a strong national defense by sustaining morale and quality of life for military beneficiaries both within the United States and around the globe.

The Coalition is very concerned about any initiatives to curtail appropriated fund support for these activities – especially the FY 2015 proposal to significantly reduce the commissary subsidy.

The Coalition urges the Subcommittee to:

- Oppose reducing the savings provided to Commissary patrons.
- Sustain necessary appropriated funds to support the Commissary and Exchange.
- Oppose attempts to consolidate the commissary and Exchange systems.
- Support Defense commissary Agency (DeCA) efforts to increase patronage, thereby increasing support for all components/branches and their families.

It is important to note that the Fleet Reserve Association's written testimony referenced the economic report ALA commissioned:

FRA opposes the proposed reduced funding for military commissaries. Military commissaries and exchanges are essential parts of the military benefit package and FRA's on-line survey completed in February/March 2014 indicates that 61 percent of active duty respondents and more than 63 percent of retirees rated Commissary/Exchange privileges as "very important."

A 2013 study by the Resale and MWR Center for Research entitled, "Costs and benefits of the DoD Resale System" indicates that these programs provide military members, retirees and their families with shopping discounts worth \$4.5 billion annually. These stores are the biggest employers of military family members with 50,000 spouses, dependent children, retirees and veteran on the payrolls, adding \$884 million a year to military house hold incomes. Exchange profits also fund important base morale, welfare and recreation programs (MWR) that contribute to an enhanced quality of life for military beneficiaries.

The Military Officers Association of America's written testimony states:

The "quadruple whammy" of capping pay, increasing out-of-pocket expense for housing, slashing commissary savings, and having military families pay more for their health care, would be major steps backward on the road towards repeating the insidious measures which led to retention and readiness problems in the past.

Each may seem small by themselves...a pay cap of .8 percent. A five percent out-of-pocket housing cost. Copays for family off-post doctor visits. Reduced savings at the commissary.

However, the elimination of the \$1 billion dollar subsidy for the commissary benefit itself will reduce the purchasing power of a military family of four by nearly \$3,000 annually.

And when you add up the FY14 and FY15 pay caps, the proposed BAH reductions, the reductions in commissary savings, and the new TRICARE fee structure, an E-5's family of four would experience a loss of nearly \$5,000 in purchasing power annually; and an O-3's family of four would experience a loss of nearly \$6,000.

The National Military Family Association's written testimony strongly supports the commissary benefit, here are a few excerpts:

Out of all of the cuts in the FY15 budget proposal, many families tell us the reduction in commissary savings is what will prove most detrimental to their financial well-being. Even with the 10 percent savings proposed by DoD, a family of four that shops regularly at the commissary would lose at least \$200 per month.

Senior leaders tell us they will not close commissary stores as part of this proposal. But when military families lose their savings at the commissary, they will stop shopping there. Fewer patrons will reduce the ability of the commissary system to leverage economies of scale – the revenues generated at the larger commissaries such as Fort Belvoir allow the family shopping in a smaller commissary in Guam or Dugway, Utah to realize the same savings. This will have tragic consequences to a system that currently works. Military families need savings; they don't need just another grocery store that is convenient to where they live!

To view the entire hearing with both panels or to download testimony, go to [http://www.armed-services.senate.gov/hearings/active-guard-reserve-and-civilian-personnel-programs\\_03/26/14](http://www.armed-services.senate.gov/hearings/active-guard-reserve-and-civilian-personnel-programs_03/26/14).