



The Coalition to Save our Military Shopping Benefits

August 27, 2015

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

The Honorable Mac Thornberry
Chairman
House Committee on Armed Services
2216 Rayburn House Office Building
Washington, D.C. 20515

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

The Honorable Adam Smith
Ranking Member
House Committee on Armed Services
2216 Rayburn House Office Building
Washington, D.C. 20515

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 and House conferees to roll back provisions in the Senate version of the FY16 National Defense Authorization Act, which dismantle long-standing protections for this benefit and require the Department of Defense to develop a plan to privatize commissaries and test the plan for two years in at least five of the largest U.S. commissary markets.

Despite passage of an amendment by Senators Jim Inhofe, Barbara Mikulski and 25 other Senators that offers a sensible, pragmatic and thoughtful approach to examining private operation of military commissaries, the Senate bill retained the provision mandating privatization. We find this very troubling that this measure somehow still found its way in to the Senate bill.

Nearly 40 organizations – representing tens of millions of active duty, Guard and Reserve, retirees, military families, veterans, and survivors – agree with Senators Inhofe and Mikulski, as do their Senate colleagues who voted to study privatization before implementing any changes. The Administration also agrees that it should be studied before making any policy changes, and “has concerns with commissary privatization and the willingness of private sector entities to participate in such a project.”

The Senate’s proposed pilot will not adequately evaluate whether privatization will work across the entire system, including in overseas and remote locations where delivery of the benefit is much more costly and provides greater challenges. Outside grocery chains will only find the Senate privatization proposal appealing where they can cherry-pick the largest, profit-making stores while abandoning stores that do not generate a profit, potentially leaving military families with no source of meeting their basic needs. Furthermore, privatizing commissaries to outside profit making grocery chains will place 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.

The Senate bill also includes provisions that eliminate long-standing legal protections for the commissary benefit and transfers hundreds of millions in costs paid with appropriations to military patrons in the form of higher prices and reduced operating hours. These radical and irreversible changes would severely damage a benefit long cherished by millions of service members and their families who rely on the 30 percent savings commissaries provide, without so much as a hearing. It also includes a \$322 million cut to the commissary benefit, a cut that was rejected by the House Armed Services Committee and the House and Senate Appropriations Committees.

The Senate's privatization plan, shredding of legal protections, devastating cuts, and ensuing price increases 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. Military households rely on this benefit to stretch their budgets and provide healthy food for the wellbeing of their families. Further, 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 by reducing 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 with nearly 30 percent of the workforce being military family members.

We continue to respectfully urge Congress to take great care not to allow significant 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,

The Coalition to Save Our Military Shopping Benefits

Air Force Sergeants Association (AFSA)	American Logistics Association (ALA)
American Military Retirees Association (AMRA)	American Military Society (AMS)
Armed Forces Marketing Council (AFMC)	Association of the United States Army (AUSA)
Association of the United States Navy (AUSN)	Fleet Reserve Association (FRA)
Gold Star Wives of America (GSW)	Iraq & Afghanistan Veterans of America (IAVA)
Jewish War Veterans of the USA (JWV)	Military Officers Association of America (MOAA)
Military Partners and Families Coalition (MPFC)	National Association for Uniformed Services (NAUS)
National Industries for the Blind (NIB)	National Military Family Association (NMFA)
Tragedy Assistance Program for Survivors (TAPS)	The American Military Partner Association (AMPA)
The Retired Enlisted Association (TREA)	United States Army Warrant Officers Association (USAWOA)