



The Coalition to Save our Military Shopping Benefits

April 16, 2015

The Honorable John McCain
Chairman
Senate Committee on Armed Services
Russell Senate Office Building, Room 228
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
Russell Senate Office Building, Room 228
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 more than 2 million active duty service members, National Guard and Reserve, retirees, veterans, military families, survivors, and persons with disabilities. We strongly urge Congress to reject the Department of Defense (DoD) FY 2016 budget proposal to cut \$322 million in funding for commissaries along with changes to legislation that would enable these cuts.

The Pentagon's budget cuts will destroy the commissary benefit, which is cherished and valued by millions of military personnel and their families, will severely impact young families and fixed income retirees, and will eliminate much needed jobs for the military community.

According to a recent RAND report, produced at the request of DoD, commissaries cost less than one percent of the overall military compensation, a miniscule portion of the overall DoD budget, saving a military family of four \$4,509 annually and a single service member about \$1,553 a year. The report also confirms what military families have been saying for months, that higher prices and reduced savings will drive them to shop elsewhere—eliminating their earned benefit, impacting exchange sales and putting at risk hundreds of millions in exchange dividends that fund vital community support programs.

Commissary and exchanges are an integral part of the military fabric. Ninety percent of the military community uses these benefits, which consistently rank as a top compensation benefit, yielding returns that far outweigh taxpayer support. They also provide critical jobs for military families and veterans—over 60 percent of employees are military affiliated—and provide healthy living alternatives both stateside and overseas. 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 aspects of the DoD must share in the need to economize and deliver the most benefits and return to DoD while making the best use of limited funds. Commissaries have done just that. Few, if any, entities within DoD have reduced costs on the scale that commissaries have—eliminating nearly 6,600 employees, closing 40 percent of the stores, and reducing nearly \$700 million in annual operating costs.

Study after study recognizes the value of these benefits and believes they are too valuable to be squandered at the budget table. Yet DoD continues to target the annual commissary appropriation as a cost saving measure. The cuts also precede another congressionally mandated report on the impact of the reductions that is not due until September of 2015.

Based on the high value placed on the benefit by service members, retirees, and their families, no commissary cuts or legislative changes should be approved by Congress that would reduce the benefit. The hours and days of operation at commissaries should not be decreased nor should the prices for groceries in commissaries be increased.

The commissary benefit is an efficient, valued, and earned benefit that should not be taken away from military men and women and their families. 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,

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)
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)
American Military Society (AMS)
National Association for Uniformed Services (NAUS)
American Military Retirees Association (AMRA)
National Industries for the Blind (NIB)
American Logistics Association (ALA)
Armed Forces Marketing Council (AFMC)