



**National Military and Veterans Alliance**

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June 2, 2015

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

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

The Honorable Lindsey Graham  
Chairman  
Senate Committee on Armed Services  
Subcommittee on Personnel  
Washington, D.C. 20510

The Honorable Kirsten Gillibrand  
Ranking Member  
Senate Committee on Armed Services  
Subcommittee on Personnel  
Washington, D.C. 20510

Dear Chairmen and Ranking Members:

The National Military and Veterans Alliance (NMVA), a non-partisan policy and advocacy organization composed of military and veteran service organizations, strongly opposes the Senate Armed Services Committee's FY16 National Defense Authorization Act, which mirrors the administration's budget proposal to slash critical commissary funding, makes legislative changes enabling these cuts, and goes further in setting in motion privatization of these operations.

We urge the Senate to reject these actions which will destroy the commissary benefit, raising prices 25 to 30 percent and breaking faith with our service members and their families. Raising prices, cutting commissary store hours and days of operations will force families to spend more on groceries outside the gates, will reduce exchange traffic and earnings placing at risk critical military community support programs and jobs.

NMVA also opposes the report on privatizing the Defense Commissary Agency, and the pilot program on commissary privatization. At the very least, this will fragment a well functioning system, and would take a non-profit entity and turn it over to grocery chains at the expense of military families relied upon savings. It also squanders billions of dollars worth of commissary stores that military families have paid for out of their own pockets. 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.

These legislative provisions are being put forward before the comprehensive report on commissaries—requested by Congress in the FY15 NDAA and due to the Senate Armed Services by September—is complete. It doesn't make sense that the Senate would act before understanding whether the proposed changes would result in a viable commissary benefit. These drastic actions also run counter to the Military Compensation and Retirement Modernization Commission report that found commissaries to be a valued benefit worth preserving.

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 on 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.

Commissary and exchanges are a vital part of military pay and compensation, and are highly valued and used by military families who consistently rank them as a top compensation benefit. These programs yield returns 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. Furthermore, military resale programs provide critical jobs for military families and veterans and provide healthy living alternatives both stateside and overseas.

We urge Congress not to allow radical and irreversible changes to these critical benefits without studying the facts and assessing a broad range of direct and indirect consequences. Our service members and their families—who have sacrificed greatly for our nation—deserve nothing less.

Sincerely,

Member Organizations National Military and Veterans Alliance (NMVA)

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| American Logistics Association         | National Association for Uniformed Services |
| American Military Retirees Association | National Defense Committee                  |
| American Military Society              | Society of Military Widows                  |
| American Retirees Association          | The Flag and General Officers Network       |
| Armed Forces Marketing Council         | The Retired Enlisted Association            |
| Army and Navy Union                    | Tragedy Assistance Program for Survivors    |
| Gold Star Widows                       | Uniformed Services Disabled Retirees        |
| Military Order of Foreign Wars         | Vietnam Veterans of America                 |
| Military Order of the Purple Heart     |   |