



T H E M I L I T A R Y C O A L I T I O N

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November 30, 2005

The Honorable John Warner
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

The Military Coalition (TMC), a consortium of uniformed services and veterans associations representing more than 5.5 million current and former servicemembers and their families and survivors, is grateful to you and the Armed Services Committee for your efforts to protect the interests of servicemembers in the FY2006 National Defense Authorization Bill.

There are many initiatives the Coalition supports that appear in both the House and Senate bills. *We are particularly grateful for both chambers' actions in support of increasing Army end strength, restoring fair compensation for hospitalized wounded, reducing military pay shortfalls, authorizing new recruiting and retention incentives, eliminating subsistence charges for hospitalized members, authorizing full housing allowances for Guard/Reserve members activated for more than 30 days, upgrading TRICARE Standard assessment tools, focusing on mental health/PTSD needs, and upgrading casualty assistance requirements.*

The attached matrix highlights Coalition recommendations concerning selected differences between the House- and Senate-passed bills. Several priorities merit special mention:

Survivor Benefit Plan (SBP) Fixes

The Coalition very strongly favors the Senate-passed provision, which would eliminate the deduction of Dependency and Indemnity Compensation (DIC) from SBP annuities when the member's death is service-connected and require immediate implementation of 30-year paid-up SBP coverage. Recent SGLI and death gratuity increases and the authority to transfer SBP to children help only certain categories of survivors for relatively recent active duty deaths, but the vast majority of widows affected by the SBP/DIC offset got no benefit from these initiatives. And many recent survivors who are able to transfer SBP to children can do so only at the

expense of reducing their longer-term survivor benefits. The Coalition believes very strongly that the VA indemnity payment should be added to SBP, not substituted for it, when military service caused the member's death. Thousands of World War II and Korea retirees already have met paid-up SBP criteria and already have paid 20% more SBP premiums than post-1978 retirees will ever pay. Those who will survive until the October 2008 implementation date in current law should not be forced to pay an even higher 33% "Greatest Generation tax." They have earned and deserve immediate paid-up SBP status.

Guard and Reserve Health Care

The Coalition strongly endorses the Senate's initiative to provide permanent health coverage to all drilling members of the Guard and Reserve who agree to continue in the Selected Reserve. State Adjutants General and senior Reserve leaders are virtually universal in asserting that this will be an important recruiting and retention tool. Equally or more important, it is an essential recognition that the government has an obligation to provide predictable health coverage continuity for the Guard and Reserve members and families who are bearing such a disproportional burden in the war on terrorism. A federal government that already provides health coverage to its part-time federal civilian employees owes no less to members and families of the Selected Reserve. With previous endorsement by a majority of the House Committee and subsequent passage by the full Senate, the Coalition believes strongly that this important provision needs to be part of the final defense authorization bill.

End Strength

The Coalition believes it is readily apparent that the active duty Army is too small by a considerable margin to meet mission requirements expected for the foreseeable future under any scenario that can be deemed a prudent probability. TMC remains concerned that even the 20,000 end strength increase recommended by the Senate may not adequately address the potential for adverse future retention when stop-loss actions expire. With universal acknowledgment that Army members and families already are untenably overstressed, the Coalition urges the largest and most rapid increase possible. TMC is concerned that Navy and USAF reductions in active duty and Reserve components are driven by budget considerations rather than requirements and have the potential to cause significant operations tempo concerns in the future, just as past reductions already are hurting the Army.

Concurrent Receipt

The Coalition heartily endorses the Senate proposal to provide full, immediate payment of concurrent retired disability pay for otherwise qualifying retirees rated by the VA as "unemployable," effective January 1, 2005. There is no distinction between unemployables and other retirees paid at the 100% rate for any other purpose – including payment of combat-related special compensation. The arbitrary decision by the Administration to make this group – the only group certified by the VA that they cannot work – wait nearly a decade for full payment is grossly unfair. The House plan represents only the most modest progress, as these disabled members would have regained more than 90% of their earned retired pay by FY2010 in any event.

Commissary/Exchange

The Coalition urges the conferees to adopt the House-passed provisions that would establish a five-year moratorium on commissary privatization studies and mandate use of appropriated funds to ship goods for sale in overseas commissaries and exchanges. Defense Commissary Agency leaders and employees need some stability to institutionalize and digest the multiple initiatives already generated to make the agency more efficient. Commissary patrons deserve better than having to deal with seemingly constant threats to this extremely important benefit. Armed Services Committee leaders have stated their strong support to maintain and improve the commissary benefit, and one important way to send this clear, unambiguous signal would be to establish this explicit moratorium in statute. Similarly, members serving our national interests overseas should not be forced to foot the bill (through higher prices) for overseas transportation costs for the goods they purchase in military support facilities.

Guard and Reserve Retirement

The Military Coalition believes strongly that something must be done to recognize and offset the adverse impact of multiple mobilizations on Guard and Reserve members' civilian retirement programs. The government has changed the rules on these members to require them to spend up to 25% of their working lives in uniform, which means thousands will have less opportunity to build the kind of civilian retirement plan they envisioned when they joined the Selected Reserve many years ago. The Senate-passed initiative to reduce the Reserve retirement age by three months for each three months mobilized to active duty since Sept. 11, 2001 begins to recognize this impact, while also encouraging additional periods of active service.

SGLI and Death Gratuity

The Coalition urges the conferees to adopt the Senate-passed provisions that would make the \$100,000 death gratuity and \$400,000 maximum SGLI payment retroactive to cover all deaths in the line of duty since October 7, 2001. The Coalition agrees strongly with uniformed service leaders, who testified unanimously before Congress earlier this year that it is unfair and inappropriate to limit these increases to the survivors of members who died of combat- or operations-related causes. The reality is that it is impossible to make such determinations with confidence, as the stresses of operational situations can be a major contributing cause of death weeks, months, or years later. As the service leaders said, "A death is a death." A military family's loss is no less because it didn't happen to occur within a specific window of time or constraint of geography, and our efforts to help compensate for such terrible losses also should not be bound by such arbitrary and inequitable constraints.

Household Goods Weight Allowances

The Coalition strongly endorses the House provision that would increase household goods weight allowances for senior enlisted members. Current allowance limits, especially for single members force many members to choose between selling personal effects or incurring substantial out-of-pocket costs in conjunction with government-directed relocations.

Thank you for the opportunity to provide the Coalition's views on these important issues.

Sincerely,

The Military Coalition
(Signatures enclosed)

Attachment: TMC Recommendations on House/Senate Differences

Cc: Armed Services Committee Members