



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

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September 23, 2008

The Honorable Carl Levin and the Honorable John McCain
Chairman and Ranking Member, Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman and Mr. Ranking Member:

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 FY2009 National Defense Authorization Bill.

We are particularly grateful to both chambers for their support of larger Army and Marine Corps end strengths, a 3.9% military pay raise, and additional initiatives to improve conditions and benefits for wounded warriors and their families.

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

Wounded Warriors

The Coalition particularly urges the conferees to retain sections 1063 and 1067 of the Senate bill in the conference agreement. Sec. 1063 would clarify that medical records transfers between the two departments are allowable under HIPAA rules. Particularly in treating patients with multiple medical traumas, we must remove administrative impediments to providing immediate and seamless transition of care between DoD and the VA. Section 1067 would extend for three years the authority for the DoD/VA Senior Oversight Committee. The Coalition believes there should be a permanent requirement for a DoD/VA joint office to assume the functions and responsibilities of this important group. The need for the current level of oversight and innovation for seamless transition requirements and programs must not be viewed as a temporary one.

End Strength

The Coalition continues to believe that active duty and Guard/Reserve ground forces are too small to meet the mission requirements expected for the foreseeable future. TMC supports the increases proposed by both Committees for the Army and Marine Corps. However, we continue to be very concerned that reductions in active duty and Reserve components of the Navy and Air Force are driven by budget considerations rather than requirements and have the potential to cause significant operations tempo problems in facing future military needs.

Survivor Benefit Plan (SBP) Fixes

The Coalition very strongly favors the Senate-passed provisions that would end 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. The SBP provisions in the House bill are worthy in addressing very specific problems for certain limited groups of survivors, but they do not go far enough. Even if those are approved, projected increases in the very modest special survivor indemnity allowance do not even suffice to offset annual COLA adjustments to Dependency and Indemnity Compensation. Thus, even the survivors eligible for the new special allowance will continue to experience ever-greater compensation losses with every passing year. Congressional leaders have repeatedly cited fixing this "widow's tax" as a top priority, and more aggressive action is essential to comport with that commitment.

TRICARE Fees

The Coalition strongly supports both Committees' stated intent to bar any increase in TRICARE Prime fees for FY2009. However, the Coalition believes strongly that a change is required in the statute to clarify the unique role of military health benefits in helping to offset the unique adverse conditions of service and that military people pay very large up-front and in-kind premiums in decades of service and sacrifice in return for their career health benefits – over and above the cash fees paid in retirement. The Coalition also believes that recent Administration proposals for disproportional increases in military health fees provide ample evidence that there should be a specific statutory ceiling on the amount fees can be increased in any year, and that in no case should the percentage of such increases in any year exceed that year's percentage increase in military retired pay.

Military Pay Raise

The Coalition urges the conferees most strongly to adopt the House-approved provision that would set military pay raises one-half percentage point above the Employment Cost Index each year for the next five years. Restoration of pay comparability is a fundamental underpinning of the all-volunteer force, and this expression of Congress' unwavering commitment to that goal will send a much-needed message to servicemembers who continue to strain under a grossly disproportional burden of the national wartime sacrifice.

Preventive Care Incentive Programs

The Coalition urges the conferees to adopt all of the House- and Senate-proposed initiatives to incentivize promotion of and participation in preventive care and smoking cessation programs. The Coalition believes these are “win-win” initiatives for the government and beneficiaries alike. Rather than pursuing counterproductive efforts to curtail benefits and impose higher fees for beneficiaries, they would provide incentives for the government, for contractors, and for beneficiaries to jointly cooperate to reduce costs and promote fiscal and physical health for all concerned. There is ample documentation to suggest that preventive care is one of the most cost-effective investments Congress could make to positively address this important problem area.

Unaddressed Needs

The Coalition was extremely disappointed that many important amendments to the Senate bill were not able to be considered before the final Senate vote, including:

- Amendment #5265 and #5266 (Sen. Reid) that, respectively, would correct an inadvertent anomaly in the statutory Combat-Related Special Compensation (CRSC) language that has the effect of denying any CRSC payment to many combat-disabled retirees forced into medical retirement with less than 20 years of service and accelerate the 10-year phase-out of the VA disability offset to military retired pay.
- Amendment #5327 (Sen. Chambliss) that would credit all activated service since 9/11/01 for the purpose of proportional reductions in the Reserve retirement age. Current law denies credit for hundreds of thousands of Guard and Reserve members’ combat tours in Iraq and Afghanistan.
- Amendment #5384 (Sen. Lautenberg) that would specify the sense of Congress, findings, and limits on TRICARE fee increases mentioned in the “TRICARE Fees” paragraph above.
- Amendment #5281 (Sen. Ben Nelson) that would authorize premium-based TRICARE coverage for “gray area” Guard/Reserve retirees who have not yet attained age 60. This is a no-cost item (premiums would cover program costs) that would fill a coverage gap that now occurs between the time Guard Reserve members leave drilling status (and lost TRICARE Reserve Select coverage) and regain TRICARE eligibility at age 60.
- Amendment #5411 (Sen. Graham) that would clarify a “combat-related” definitional issue that inadvertently caused certain otherwise qualifying disability separatees to have their severance pay offset by VA disability compensation.

The Coalition recognizes that conferees have constraints on what they are allowed to address during conference action, but urges the conferees to make whatever consideration of these initiatives may be possible during deliberations on the final Defense Authorization Bill.

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

Air Force Association
Air Force Sergeants Association
Air Force Women Officers Associated
American Logistics Association
AMVETS (American Veterans)
Army Aviation Association of America
Association of Military Surgeons of the United States
Association of the United States Army
Chief Warrant Officer and Warrant Officer Association, U.S. Coast Guard
Commissioned Officers Association of the U.S. Public Health Service, Inc.
Enlisted Association of the National Guard of the United States
Fleet Reserve Association
Gold Star Wives of America, Inc.
Iraq & Afghanistan Veterans of America
Jewish War Veterans of the United States of America
Marine Corps League
Marine Corps Reserve Association
Military Chaplains Association of the United States of America
Military Officers Association of America
Military Order of the Purple Heart
National Association for Uniformed Services
National Military Family Association
National Order of Battlefield Commissions
Naval Enlisted Reserve Association
Naval Reserve Association
Non Commissioned Officers Association
Reserve Enlisted Association of the United States
Society of Medical Consultants to the Armed Forces
The Retired Enlisted Association
United States Army Warrant Officers Association
United States Coast Guard Chief Petty Officers Association