



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

201 North Washington Street

Alexandria, Virginia 22314

(703) 838-8143

March 8, 2019

Senator James Inhofe Senator Jack Reed  
Chair, Armed Services Committee  
United States Senate  
Washington, DC 20510

Senator Jack Reed  
Ranking Member, Armed Services Committee  
United States Senate  
Washington, DC 20510

Representative Adam Smith  
Chair, Armed Services Committee Ranking  
U.S. House of Representatives  
Washington, DC 20515

Representative Mac Thornberry  
Ranking Member, Armed Services Committee  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairmen Inhofe and Smith and Ranking Members Reed and Thornberry:

The Military Coalition, a consortium of organizations representing 5.5 million service members, veterans, their families and survivors, views the defense resale system as an essential component of military compensation and is committed to its preservation. We are very concerned that proposals to merge the various elements of the defense resale system may pose a threat to its continued viability and request further study and oversight by Congress.

This January, a task force convened by the Department of Defense's Chief Management Officer released a business case analysis (BCA) recommending consolidation of the four Exchanges and the commissary. Notably, while the military service branches concurred with this report, they did so with reservations. Specifically, the Services expressed concerns that consolidation would take longer and cost more than anticipated, while failing to result in promised efficiencies. We are concerned that if these predictions are accurate, the defense resale system may be unable to provide the services (low cost groceries and support for MWR programs) relied on by service members, their families and survivors.

While TMC is not opposed to the study of consolidating and streamlining military resale back office operations to gain efficiencies, we urge caution in implementing changes to a fragile military community ecosystem that may impact other important programs. Given the varying opinions about the advisability of the BCA recommendation, we believe an independent review by the Government Accountability Office would be appropriate. We further request that Congress conduct a hearing on the recommendations included in the BCA, which would allow those committed to preserving the resale system and protecting patrons' earned benefit to express their concerns.

We appreciate your longstanding commitment to preserving the defense resale system and your crucial role in oversight of these proposed changes. We stand ready to continue working with all parties to ensure the preservation and improvement of vital military resale benefits, and all other important programs, dependent on their success.

Sincerely,

The Military Coalition  
(Signatures enclosed)

Air Force Association  
Air Force Sergeants Association  
AMVETS (American Veterans)  
Army Aviation Association of America  
AMSUS, the Society of Federal Health Professionals  
Association of the United States Navy  
Chief Warrant & Warrant Officers Association, USCG  
Commissioned Officers Association of the U.S. Public Health Service, Inc.  
Fleet Reserve Association  
Gold Star Wives  
Iraq & Afghanistan Veterans of America  
Jewish War Veterans of the United States of America  
Marine Corps League  
Marine Corps Reserve Association  
Military Officers Association of America  
Military Order of the Purple Heart  
National Guard Association of the United States  
National Military Family Association  
Naval Enlisted Reserve Association  
Non Commissioned Officers Association  
Reserve Officers Association  
Service Women's Action Network  
The Military Chaplains Association of the United States of America  
The Retired Enlisted Association  
Tragedy Assistance Program for Survivors  
United States Army Warrant Officers Association  
United States Coast Guard Chief Petty Officers Association