Congress of the United States
Washington, DC 20515

July 21, 2011

The Honorable Leon E. Panetta
Secretary of Defense
1000 Defense Pentagon
Washington, DC 20301-1000

Dear Mr. Secretary:

We are writing to express our support for continuation of the commissary and exchange benefits provided to our service members and families. We recognize military resale benefits have been targeted with cavalier rhetoric by budget-minded advocates questioning the need for the military to operate grocery and department stores. We would ask you to look past the rhetoric and understand the immense value and cultural necessity of the military resale systems.

As we continue to engage the enemy on a variety of fronts, the imperative to care for our military families, particularly when troops are serving in harm's way overseas, remains of vital importance within the Congress. Few programs can match the power of military commissaries and exchanges to rally and solidify the security and strength of the military community that is the bedrock of combat readiness. Commissaries and exchanges are among the most highly prized benefits routinely ranked on surveys with retirement and health care benefits as the top benefits of military service.

We appreciate the difficulty of the budget challenges confronting you, but we believe your effort to identify efficiencies and waste would not be rewarded by close examination of military resale. Most importantly, the exchange system consumes only limited appropriated funds, and those requirements are focused on the shipping costs necessary to provide a credible quality of life for families serving overseas—an obligation that we can all agree cannot be ignored. Commissary operations do require $1.3 billion in appropriated funding, but we would ask that you consider the purpose, power, and efficiency of commissary and exchange activities.

Recognizing that military pay would never be considered lucrative, the Nation established commissaries and exchanges to at least ensure families had access to reasonably priced food and other basic goods. While pay has improved, we are assuredly entering a period where many of the gains in recent years will be eclipsed and there will remain a compelling need to provide young families and elderly retirees' access to discounted goods. Toward this end, both commissaries and exchanges have proven highly effective. The exchanges deliver roughly 20 percent savings to patrons while also returning $300 million annually to support morale, welfare, and recreation programs throughout the services. The commissary system delivers over 30 percent savings and directly puts $4,400 in the pocketbook of a family of four each year. The dismantling of commissaries, as some would suggest, would eliminate one of the most cost effective operations in government that is consistently recognized for unparalleled efficiency delivering a remarkable $2.08 return benefit for every dollar expended—some $2.6 billion in

PRINTED ON RECYCLED PAPER

savings to service members annually. The commissary service has demonstrated its financial effectiveness by being one of the elite Department of Defense agencies that have achieved a clean independent audit for nine consecutive years. Appropriated personnel accounts also benefit from the efficiency of the commissaries by expending less for cost of living allowances in high cost areas. Additionally, overseas shipping by commissaries and exchanges help to protect wartime logistical capacity. Finally, the commissaries and exchanges employ thousands of military dependents that add millions of dollars of income to cash strapped families throughout the military.

We hope that we have convinced you that during the coming search for savings, commissaries and exchanges should remain insulated from radical restructuring. As an integral part of the fabric of military life, we ask that commissaries and exchanges not be tossed aside to simply save money. We are confident military resale will do its part to become even more efficient and help you meet the budget challenges in the months ahead—we only ask they be given that opportunity and allowed to continue to serve their most deserving patrons.

Sincerely,

Joe Wilson

Lois Capps

Gregory W. Meeks

George Miller

Walter B. Jones

Jerry F. Costello

Vicky Hartzler

Candice S. Miller

MST

[illegible]

John W. Olver

Geoff Davis

Sam Farr

Lynn Jenkins

Mike Coffman

[illegible]

Rush Holt

[illegible]

[illegible]

[illegible]

Chellie R

Hank Johnson

Charles A. Boyle

Nikki Tsongas

[illegible]

Allen B West

Rob Bishop

Joe Heck

[illegible]

Jim Rigell

Tim Murphy

Phil Gingrey

Andrew Crenshaw

David P Roe

Bobby Schilling

Rob A Brady

Bill Shuster

Dan Scott

John Taramendi

Mike Ryan (NC)

John Lewis

Steve Pastor

[illegible]

John R Carter

Ntomas F Ellis

Dave Faulkner

Cathy McMorris Rodgers

Bob Fehr

Lynn A. Westerfield GA 3

Trent Franks

Frank LoBiondo

J. Rady Forbes

John Kline

Madeleine Z. Bordallo

C. A. Dutch Ruppersberger

Michael R. Turner

Charles Fattah

Dan Burton

Robert C. Andrews

Thomas Rooney FL 16

Bob Ryan

Michael H. Michaud

Mazie K. Hirono