

Congress of the United States
Washington, DC 20515

November 7, 2011

The Honorable Patty Murray
The Honorable Max Baucus
The Honorable John Kerry
The Honorable John Kyl
The Honorable Rob Portman
The Honorable Patrick Toomey

The Honorable Jeb Hensarling
The Honorable Dave Camp
The Honorable Fred Upton
The Honorable James Clyburn
The Honorable Chris Van Hollen
The Honorable Xavier Becerra

Dear Members of the Joint Select Committee on Deficit Reduction:

As you consider proposals to reduce the deficit, we ask that you maintain the federal subsidy for military commissaries and oppose any calls to consolidate commissaries and exchanges into a single system.

By law, commissaries can only charge consumers 5 percent more than the item costs to stock the shelves. As a result, military families save on average more than 30 percent on their grocery bill by shopping at commissaries. This arrangement works because the cost to operate commissaries is paid by a federal subsidy.

Military families also save more than 20 percent by shopping at military exchanges. For the \$1.5 billion spent annually on commissaries and exchanges, military families save \$5.6 billion. The exchanges also generate approximately \$300 million in earnings which provides dividends to support Morale, Welfare, and Recreation (MWR) programs for service members and their families.

Finally, many military families are based in locations where there are either limited or no other options to purchase food and household items. Commissaries and exchanges are their only source for these types of purchases.

The commissary and exchange systems make good financial sense. For every dollar spent to support military resale, the systems generate nearly \$4 in benefits. We ask that you maintain the federal subsidy that allows for these benefit savings and oppose any calls to consolidate the commissaries and exchanges into a single system. Reducing those subsidies would effectively be a significant pay cut for our military families.

We appreciate your attention to this important issue and look forward to working with you as you prepare your deficit reduction plan.

Sincerely,


Brad Miller
Member of Congress


Trent Franks
Member of Congress


Gregorio Kilili Camacho Sablan
Member of Congress