

Congress of the United States
House of Representatives
Washington, DC 20515-2004

May 11, 2022

The Honorable Lloyd J. Austin
Secretary of Defense
U.S. Department of Defense
1000 Defense, Pentagon
Washington, D.C. 20301-1000

Mr. Secretary,

Today, many of our military families are struggling to meet their basic needs due to rising prices. While Congress has sought to address this issue through the establishment of a basic needs allowance, there is one action you may take that would have an immediate impact on the problem: remove the revenue requirement on the Defense Commissary Agency (DeCA) in order to lower prices and maximize savings.

On U.S. military bases around the world, military families have invested billions of dollars through the commissary surcharge to build their commissary system, which was intended to deliver a non-pay compensation benefit to our servicemembers and their families through selling groceries at cost. In 2016, the Department of Defense requested and was granted permission by Congress to permit the Secretary of Defense to implement variable pricing, which would allow DeCA to raise prices in order to generate margins to offset its appropriation.

In FY21, DeCA generated \$108 million in margin through these higher prices. That is \$108 million out of our military families' pockets. In FY22, DeCA is expected to generate \$118.7 million in revenue and the budget request for FY23 calls for \$128 million in offsets. Our view is those dollars should remain with servicemembers to help them take care of their families.

There are a few advantages to removing the revenue offset requirement for DeCA:

- It leverages current infrastructure and systems. No administrative programs must be developed, contracted for, or implemented.
- It has an immediate, direct impact for families, lowering their grocery bills and extending their pay as a non-pay compensation benefit, and reducing food insecurity and inflationary effects.
- It helps all military families regardless of where they are serving around the world; however, it will have the greatest impact on those most affected by rising prices and those living in high cost-of-living areas.

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Mr. Secretary, we greatly appreciate your consideration of this request and look forward to your action on this opportunity to support our deserving military families and improve their quality of life.

Thank you for your consideration of the request, and your service to the country.

Respectfully,



Marc Veasey
Member of Congress



Steven Horsford
Member of Congress



Marilyn Strickland
Member of Congress



William R. Keating
Member of Congress



Rick Larsen
Member of Congress



Veronica Escobar
Member of Congress



Anthony G. Brown
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Kaiali'i Kahele
Member of Congress