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July 13, 2016

The Honorable John McCain  
Chairman, Armed Services Committee  
United States Senate  
Washington, DC 20510

Fax: 202-228-2862

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

Fax: 202-224-4680

The Honorable Mac Thornberry  
Chairman, Armed Services Committee  
U.S. House of Representatives  
Washington, DC 20515

Fax: 202-225-3706

The Honorable Adam Smith  
Ranking Member Armed Services Co.  
U.S. House of Representatives  
Washington, DC 20515

Fax: 202-225-5893

Dear Chairmen and Ranking Members:

The Fleet Reserve Association (FRA) appreciates your efforts and those of the other members of the Armed Services Committees, and their respective staffs to protect benefits and programs for service members, military retirees, veterans, reservists and their families in the FY 2017 National Defense Authorization Act (NDAA). FRA wants to provide its recommendations to the conference committee deliberations on the NDAA. A number of provisions appear in both versions that FRA supports such as prohibition on conducting Base Realignment and Closure (BRAC), additional impact aid for public schools with significant military populations, and badly needed reform of the Uniform Services Former Spouse Protection Act (USFSPA).

FRA fully supports the extensive Military Coalition (TMC) recommendations sent to you and other conferees and offers the following recommendations on key issues addressed only in one bill that are especially important to our membership.

The Association has serious concerns about TRICARE fee increases in both the House and Senate bills (section 701). FRA believes that TRICARE benefits for retirees have, in large part, been earned with 20 or more years of arduous military service. FRA opposes any indexing of future TRICARE fee increases beyond the current provisions limiting percentage increases to COLA percentage increases. Further the Association opposes the House provision that requires enrollment fees being charged to active duty personnel who join after Jan. 1, 2018. FRA opposes a TRICARE Standard fee, but the House fee, which is delayed until 2020, is preferable. The Association strongly opposes the proposed pharmacy co-pays increases in the Senate bill (section 702) and believes that the Secretary of Defense (SecDef) should have authority to reduce or eliminate co-pays for preferred medications after 2025, but raising co-pays should *only* be authorized by Congress.



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FRA is deeply concerned about adequate compensation for those currently serving. The Association strongly opposes the Senate provision (section 604) that would have a dramatic cut of BAH benefits for couples who both serve in the military and service members that take roommates who also serve. It should be noted that the Department of Defense (DoD) opposes this provision for being too burdensome to implement. In addition FRA opposes the Senate provision (section 601) that provides inadequate pay increase (1.6% vice 2.1%) for active duty. Those currently serving have received inadequate annual pay increases that are less than the civilian counterparts for the last three years, as determined by the Employment Cost Index (ECI). FRA supports pay increases that are at least equal to the ECI.

FRA is thankful that both bills extend the Special Survivor Indemnity Allowance (SSIA) that was due to sunset October 1, 2017. In 2008, Congress enacted the Special Survivor Indemnity Allowance (SSIA) which increased gradually and now pays approximately 25 percent (\$310) of the offset. The Association supports continuing to increase this benefit. FRA supports the House provision (section 624) that provides benefits under the Survivor Benefit Program (SBP) for survivors of a Reserve Component member who dies in the line of duty during inactive-duty training, will receive the same benefit calculation as for deaths on active duty.

The Association supports the Senate provision (section 707) to authorize a pilot program for members of the Reserve Component to be eligible for the Federal Employee Health Benefit Program (FEHBP). In addition FRA supports the House provision (section 333) requiring DoD to do a study of travel costs incurred by members of the Reserves.

FRA is concerned about continued reductions in military end strength, and supports the House – recommended end strength levels. Further, the Association opposes the limitation on veterans preference provided for in the Senate bill (section 1134).

FRA believes that excluding Defense from Sequestration is of paramount importance for the national defense and will ultimately have a devastating impact on the viability of the All-Volunteer Force. FRA believes that continued sequestration-driven budget cuts will only worsen the low morale within the ranks of our armed services.

For additional information, please contact John Davis, Director of Legislative Programs at (703) 683-1400 x-110.

Your consideration of these recommendations is appreciated.

Sincerely,



THOMAS J. SNEE  
National Executive Director

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cc: Rep. Joe Heck  
Rep. Susan Davis  
Sen. Lindsey Graham  
Sen. Kirsten Gillibrand