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July 10, 2015

The Honorable Mac Thornberry
Chairman
House Armed Services Committee
2208 Rayburn House Office Building
Washington, DC 20515

The Honorable Adam Smith
Ranking Member
House Armed Services Committee
2264 Rayburn House Office Building
Washington, DC 20515

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Dear Chairman Thornberry and Ranking Member Smith:

The Fleet Reserve Association (FRA) appreciates a number of personnel related provisions that are addressed in both the House (H.R. 1735) and Senate (S. 1376) versions of the FY 2016 National Defense Authorization Act (NDAA). Specifically, the Association appreciates that both Committees resisted calls for additional TRICARE annual enrollment fee increases. FRA fully supports the extensive Military Coalition (TMC) recommendations sent under separate cover. The Association offers the following recommendations on key issues addressed in only one bill which are especially important to our membership and retirement provisions in each bill.

FRA opposes section 702 of the Senate bill that increases pharmacy co-pays for retirees under age 65. The Association supports section 701 of the Senate NDAA that allows TRICARE beneficiaries up to four visits for urgent care without referral, and section 641 of the Senate bill that allows election of a new spouse SBP beneficiary after the death of a former spouse. FRA supports sections 705 and 711 of the House bill that allows for a one-time offer to certain military retirees to regain TRICARE Prime coverage, and creates a unified medical command, respectively. The Association supports section 601 of the House bill that provides a pay increase equal to pay increases in the private sector. FRA opposes sections 603 and 604 in the Senate bill that reduces BAH benefits from 99 percent to 95 percent, and reduces BAH benefits for married couples living together respectively. Further, FRA opposes section 651 of the Senate bill that reduces funding for stateside commissaries. The Association also supports section 592 of the House NDAA that provides “veteran’s status” at no cost to certain reserve component members.

Both the House and Senate passed bills include similar retirement provisions based on the recommendations of the Military Compensation and Retirement Modernization Commission (MCRMC) implementing a “blended” retirement system that will apply to future service members.



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FRA is deeply concerned that these changes will be inadequate to keep the 20-year career force and will create a culture of leaving, which will make long-term retention difficult. That said, the Association would suggest several improvements that include:

- Eliminating the one-percent COLA cut for future retirees;
- Continuing TSP matching contributions past 20 years of service;
- Matching TSP contribution up to 5 percent; and
- Providing for a 2.5 percent (vice 2.0 percent) disability multiplier.

Your consideration of these recommendations is appreciated.

Sincerely,

A handwritten signature in black ink that reads "John R. Davis". The signature is written in a cursive, slightly slanted style.

JOHN R. DAVIS
Director, Legislative Programs

JRD:tw

cc: Rep. Joe Heck
Rep. Susan Davis