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# Defense Report

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## **Improving Military Commissaries—Should the Results Come Before the Tests?**

The military commissary system is once again coming under assault, this time mainly from the White House itself. The Office of Management and Budget, by way of the President's 1988 and 1989 budgets, proposes to test letting commercial grocery store operators run the commissaries to see if the private sector could provide more efficient operation and management of the stores.

This idea of "privatizing" military grocery stores, is not new. Such a scheme was seemingly put to rest by Congress as recently as the fiscal 1988 Defense Authorization Act. In its report accompanying that law, the House Armed Services Committee concluded that no further studies should be undertaken, since extensive hearings and substantial contracting-out experience proved that industry could not operate the commissary system and provide the military patron with the savings offered by the existing system. Unfortunately, the Senate failed to rule out the test proposal in its version of the 1988 Authorization, thus the idea carried over to the present budget.

In addition, the President's Commission on Privatization, after a cursory one-day hearing into the matter, concluded that "private sector operations can offer greater efficiencies as a result of competitive stimulus." That group's wishy-washy recommendation states: "private sector businesses should participate in managing and operating military commissaries in the United States." What that means to soldiers and their families is that commercial interests could take over operation of those large volume stores located near some of the major metropolitan areas, while commissaries at more remote locations will be left to fend for themselves.

Because military patrons realize a 25 percent savings over commercial costs of food and household items, the commissaries, in 1987, produced a "compensation effect" of more than \$1.8 billion. Should military families be denied this indirect compensation, the taxpayers would need to come up with nearly \$2 billion in additional pay and benefits to keep standards of living comparable.

Considering the fact that service members view the commissary as one of the top three benefits of military life, the White House is obligated to ensure that the quality of service and the benefit to service families is not diminished. Otherwise, a lot of good people may take their talents elsewhere.