

United States Senate

WASHINGTON, DC 20510

October 24, 2017

The Honorable John McCain
Chairman
Senate Armed Services Committee
228 Russell Senate Office Building
Washington, DC 20510

The Honorable Jack Reed
Ranking Member
Senate Armed Services Committee
228 Russell Senate Office Building
Washington, DC 20510

The Honorable Mac Thornberry
Chairman
House Armed Services Committee
2216 Rayburn House Office Building
Washington, DC 20515

The Honorable Adam Smith
Ranking Member
House Armed Services Committee
2216 Rayburn House Office Building
Washington, DC 20515

Dear Chairmen McCain and Thornberry and Ranking Members Reed and Smith:

As the House-Senate conferees begin negotiations to reconcile differences between the Senate and House National Defense Authorization Act (NDAA) bills, we continue to support including a provision that would assist the Coast Guard with implementing the Blended Retirement System (BRS).

As you know, the 2016 NDAA established a modernized retirement system for the U.S. Armed Forces, including the Coast Guard. One component of this modernized system is Continuation Pay, a mid-career personnel bonus to promote retention within the workforce. The Coast Guard is the only armed service branch not covered under the Department of Defense's Military Retirement Trust Fund. Because of this disparity, the Coast Guard will be forced to fund the contribution through discretionary spending at an estimated \$75 million over the next ten years. Diverting Coast Guard discretionary funding to cover BRS would significantly reduce available funding for operational capabilities and mission readiness. The Coast Guard Commandant, Admiral Paul Zukunft, has expressed the urgent need for a legislative change.

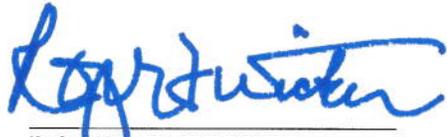
We support a permanent provision, which would authorize consistent funding for service-member retirement benefits out of mandatory spending from the retired pay account and would allow the Coast Guard to continue performing its critical missions unhindered. The modernized military retirement system was established through the NDAA. We believe the NDAA is an appropriate legislative vehicle to include a solution to this unique challenge.

BRS will go into effect on January 1, 2018. Therefore, it is essential that Congress act now to ensure that the Coast Guard has adequate resources to implement this federally mandated retirement modernization effort without putting a strain on key operations.

The Coast Guard is one of our nation's five armed services, performing 11 statutory missions essential to maritime commerce, border security, and homeland defense. We owe it to the men and women in the Coast Guard to provide them appropriate benefits for their dedicated service.

We stand ready to work with you on this important issue.

Sincerely,



ROGER F. WICKER
United States Senator



JOHN THUNE
United States Senator



DANIEL SULLIVAN
United States Senator



GARY PETERS
United States Senator



JAMES M. INHOFE
United States Senator



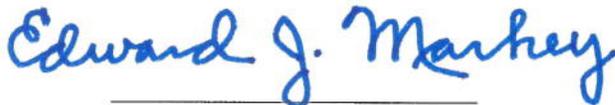
RICHARD BLUMENTHAL
United States Senator



LUTHER STRANGE
United States Senator



MARIA CANTWELL
United States Senator



EDWARD J. MARKEY
United States Senator



BRIAN SCHATZ
United States Senator



MAZIE K. HIRONO
United States Senator



LISA MURKOWSKI
United States Senator