



## **Proposed Merger of Commissaries and Exchanges Threatens Vital Military Benefit and Workers' Jobs**

### **The Issue**

Military commissaries, which provide a vital benefit and employment source for military families and veterans worldwide, are in jeopardy due to planned budget cuts, failed reform efforts, and a reckless proposed merger with the separate military exchange system. Congress has repeatedly rejected direct attempts to diminish the commissaries, so now the Department of Defense is continuing its assault under the guise of “reform.”

### **How We Got Here**

DoD has budgeted a \$1.3 billion cut in appropriations to the Defense Commissary Agency based on projected efficiencies from reform efforts that have not materialized and in fact have resulted in a 25 percent drop in sales, removal of favorite products, and creeping price increases – all with an eye toward merging the commissaries with the entirely separate exchanges. Rather than rejecting these failed reforms, DoD is doubling down on a bad bet promoted by self-serving Beltway interests and putting the entire system at risk.

### **Why It's Dangerous**

Commissaries are a vital benefit for military families, providing convenient access worldwide to groceries and household goods at cost plus a 5 percent surcharge. Commissaries also are a major employer of military spouses, veterans, and family members. Under the planned merger with military exchanges, workers would see their pay and benefits slashed as they are converted from civilian employees to non-appropriated fund workers.

### **What We've Done So Far**

AFGE worked to get a provision through the fiscal 2019 National Defense Authorization Act that prevents any merger of the commissaries and exchanges for one year.

### **What Needs to Happen Now**

To ensure that military families do not lose this vital benefit, Congress needs to direct the Government Accountability Office to conduct an independent review of current and prior efforts to reform the commissaries and apply these failed practices to the exchanges.