



ALERT: STRIKE AGAINST COMMISSARY BENEFITS POSSIBLE

At a time when military basic pay isn't keeping pace with inflation, the services' storekeeper is examining a proposal to double, possibly even triple, the commissary surcharge. The surcharge fund is spent on utilities, equipment, supplies and construction.

The Defense Commissary Agency, created in 1991 to manage all of the services' supermarkets and improve their efficiency, is studying the plan to ratchet up the five percent surcharge by a percentage point yearly starting in FY 1996. The projected goal is to make the stores "largely self-sufficient" and reduce Defense Department financial support for their operations over the next five to 10 years.

Other proposals being considered to make the stores self-sufficient include raising the price of tobacco products, which would be opposed by lawmakers in tobacco-growing regions and which the services oppose; and having the services pay the Defense Commissary Agency for the stores that operate on individual installations, which is opposed by the Army.

What is at stake for the more than 500,000 Army active duty soldiers and their families, as well as for Army Reservists, National Guardsmen and retirees, is another assault on military compensation and benefits that are so necessary for readiness, retention **and recruiting**.

One of the benefits soldiers expect upon entering military service is self-sufficiency. Savings by shopping at the commissaries is put at between 20 and 25 percent on national-brand products. When commissary prices are compared with those of store house brands or generics, commissary shoppers still realize a savings.

Even with an across-the-board monthly increase in the Basic Allowance for Subsistence to offset increased surcharges

(which would need congressional approval), the increased surcharge likely will penalize families, soldiers in the lower enlisted pay grades, and those living in areas with high costs of living.

Raising prices is always tricky business in the private sector. The danger is in losing market share and money. The same should also be said about this latest assault on the commissary benefit. Raising the surcharge may actually drive military customers away from the commissaries, negating any projected revenue gain.

Closures, reduced operating hours and cuts in services are also possible considerations in the near future if the stores cannot become more self-sufficient. Closing commissaries, however, would have an especially adverse impact on military personnel stationed in remote areas.

Also, there would be a tendency to delay necessary plant repairs and construction simply to show self-sufficiency in a given year. This "robbing Peter to pay Paul" approach is a no-win solution. Problems are sure to grow as defense budgets continue to shrink and bases continue to close. Some installations — for example, Fort Hood, Texas, whose military population increased from 33,000 in 1992 to the current 45,000 — already are feeling the pressures of consolidation of units and facilities.

The persons who would be hit the hardest if these changes are implemented are the ones who least likely can afford it: the thousands of soldiers 25 years old or younger, in pay grades E-4 and below and married with children. In terms of their spending on basic necessities as a percentage of their income, they reap the greatest savings benefit from shopping at the commissary. To raise the surcharge makes them, in effect, take a pay cut. There is already almost a quarter of a billion

dollars in food stamps and Women, Infants and Children vouchers being redeemed in commissaries today. The increased surcharge will likely result in more soldiers having to seek relief through these programs.

This is not how they expected to serve their country.

There are important voices that understand the importance and value of the present commissary system to military customers.

The House Armed Services Committee sees maintaining the commissaries as a readiness issue, and adds, "Military commissaries are an important nonpay compensation benefit."

Army Secretary Togo D. West Jr., Army Chief of Staff Gen. Gordon R. Sullivan and other senior officials have written Defense Secretary William Perry that although the Army supports the commissary agency's efforts to improve efficiencies, it opposes passing operating costs on to patrons, which is at the heart of the increased surcharge proposal.

Acknowledging that taking care of military men and women is critical to maintaining morale and therefore vital to troop quality and readiness, Secretary Perry himself has stated publicly that he would reject proposals to raise the commissary surcharge or reduce services.

Nevertheless, the commissary system has been challenged in the past and will undoubtedly be under intense pressures in the future. Most proposals for total self-sufficiency would result in degraded service or additional costs to the military family.

The supporting voices may not be enough if the surcharge proposal makes it into proposed legislation. In the past, it has taken the voices of thousands of active duty and reserve component servicemembers, retirees and families to make sure of Congress understands the importance of the commissary benefit to America's soldiers and their families.

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