



## Stop The Merger Update for members of UFCW locals 5, 7, 324, 400, 770, 1564 and 3000

The biggest steps so far to successfully oppose the proposed mega-grocery took place in February 2024 when the Federal Trade Commission, joined by 8 states and the District of Columbia, filed a lawsuit to stop the merger. Earlier, on January 15, the Washington State Attorney General filed a lawsuit to stop the merger and then on February 16 the Colorado Attorney General filed suit. These different legal challenges are moving along independently and will begin their days in court starting later in the summer (more details below\*). These cases are a result of a tremendous amount of work by the regulators, our partners and our local unions and our members who have organized a massive national opposition to the proposed merger since the first day it was announced in October of 2022 (see a month-to-month overview of many of these activities below\*\*).

### **Kroger's Proposed Expansion of Store Sales Just Makes a Bad Idea Worse**

On April 22, 2024, Kroger announced a newly revised divestiture plan with C&S Wholesale – the company that would but divested stores if a merger were approved. This update included over 150 more stores from the original list of over 400 nationwide. **In Colorado, the new plan increases the number of Safeway-Albertsons stores in Colorado to be sold to C&S to 91 stores. Just 14 of the Safeway-Albertsons stores statewide will remain with Kroger.**

The most significant problems with the proposed merger and the proposed divestment plan remain, and in many respects only got worse under this expanded plan. Below is the statement our coalition of locals (UFCW 5, 7, 324, 400, 770, 1564 and 3000) issued immediately to members and the press:

*“This bigger proposed divestiture simply increases the challenge C&S, a New Hampshire-based wholesaler, would have trying to operate a hodgepodge chain of retail stores. They have no experience operating retail stores in these states, would still lack the IT, customer loyalty and manufacturing capabilities needed, and would most likely end up monetizing the real estate under many of these stores.”*

In addition to the general lack of experience of C&S to operate retail grocery stores in any of our states, they have essentially zero experience operating retail pharmacies. C&S currently operates just 1 pharmacy (in upstate NY) and has no capacity to operate a chain of hundreds of retail pharmacies (that would ostensibly come along with the purchase of over 550 stores in the modified and expanded divestiture plan). This capacity would require the skills and experience negotiate with the huge pharmacy benefit managers, oversee a workforce of pharmacy professionals, and manage compliance with applicable laws in many diverse states. Even if C&S were to acquire the stores and operate them, the predictable result in the case of the pharmacies on those stores would be that C&S is unable to

successfully operate them and would result in closing the pharmacies thus making more pharmacy deserts and reduced access to critical prescriptions for millions of community members.

### **We Have Helped Pass New Laws to Protect Workers from Harm in Case of Mergers**

In mid-March, UFCW 3000 was successful in getting new legislation signed into law to better protect grocery store workers if mergers take place. Similar protections were passed in 2023 in the state of California spearheaded by the UFCW locals including 5, 324 and 770. In the case of both laws, as well as with our opposition to the proposed merger, UFCW grocery store members who have been standing up and speaking out have been a central and powerful force to our efforts to influence policy makers and regulators.

### **The effort to oppose the merger is not over yet.**

Kroger and Albertsons have both said they will challenge the lawsuits in court, so we expect it could be many months until an outcome is known. Instead of spending all this time and money on a proposed merger that if allowed to proceed would lead to higher prices, closed stores, lost jobs, a reduced ability for union workers to negotiate strong contracts, and giving away billions to wealthy investors, these companies should be doing the necessary work to provide better wages and working conditions, and making stores safer.

### **\*More Detailed Information:**

On Monday February 26, 2024, the Federal Trade Commission (FTC) challenged the proposed mega-merger of Kroger and Albertsons citing concerns about how the merger would harm consumers and workers. Nine State Attorneys General (Arizona, California, District of Columbia, Illinois, Nevada, New Mexico, Oregon and Wyoming) joined the legal action as well. These are above and beyond the two other Attorneys General lawsuits from Washington and Colorado. Your support of the “No Grocery Merger” coalition is an important part of what led to this success. The 150 organizations across the nation who joined together last year to fight this merger was a show of both the power of solidarity and a diverse array of interests.

We remain committed to continue our diligent efforts to defend workers, customers and communities from the devastating harm that would be caused if such a merger were to proceed. And we also look forward to beginning to fix the broken food systems in this nation.

### **Additional information and past updates**

1. FTC Press release: [FTC Challenges Kroger’s Acquisition of Albertsons. Largest supermarket merger in U.S. history will eliminate competition and raise grocery prices for millions of Americans, while harming tens of thousands of workers, FTC alleges](#)
2. FTC Complaint: [Kroger's/Albertsons: Administrative Part 3 Complaint \(Public\) \(ftc.gov\)](#)
3. Our [press release including link to coalition partners and highlights of some of the activities over past 16 months to fight the proposed merger](#).

### **\*Timeline for legal cases:**

1. Colorado State Attorney General lawsuit to be heard in court starting on August 12.
2. FTC injunction case starts in US District Court in Oregon August 26.
3. Washington State Attorney General lawsuit to be heard in court starting September 16.

We will reach out to members with additional updated information as it becomes available. Also, we plan to hold meetings to educate members on important updates and opportunities for action.

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[Linked here are a more full list of media coverage, and a long list of opposition coalition members:](#)

**\*\*An overview of many actions/accomplishments from our opposition coalition of local unions**

## **October 2022**

10/13 – Kroger and Albertsons, without any warning, make announcement of proposed merger.

10/13 – Group of local UFCW unions, taking advantage of close relationships forged through supportive and collaborative efforts with each other’s collective bargaining with national grocers, quickly convene and issue joint statement immediately raising concerns about the proposal. Within hours the initial news coverage that had simply contained Kroger’s statement becomes a broader story including very strong opposition and concerns.

10/22 – Joint press release by local UFCWs flags the proposed massive payout of \$4 Billion by Albertsons to wealthy shareholders as part of the proposed merger. [News coverage includes KIRO 7 TV story.](#)

10/26 - [Joint press release applauding lawsuits filed by Attorneys General in multiple jurisdictions](#) to halt Albertsons special \$4 billion payout to wealthy shareholders as part of the proposed merger which Albertsons initially announced would take place in early November. The Washington State AG case succeeds in halting this rushed payment. While it ends up being allowed to proceed, it is not until early 2023 and only after under-oath testimony from company executives disclosing critical inside information that had been unknown to the public and exposed some of the key motivations behind the proposed merger.

## **November 2022**

11/29 [Held in-person Press Conference in Washington DC](#) with Presidents and members from the six local UFCWs of the newly formed coalition from across 12 states and the District of Columbia (Southern CA - UFCW 324 and 770, Northern CA – UFCW 5; Washington – UFCW 3000; CO & Wyoming – UFCW 7; DC and surrounding states – UFCW 400) and Teamsters local 38 representing over 100,000 Kroger and Albertsons. The press conference was held immediately prior to a planned US Senate Subcommittee hearing on the proposed merger and helped tell the story of the negative impacts of such a merger in local and national TV, print, and radio coverage.

## **December 2022**

**12/3** – Article goes into details about concerns. [“EVERYONE SHOULD BE VERY SKEPTICAL OF THE SUPPOSED BENEFITS OF THE KROGER-ALBERTSONS MERGER - Kroger can’t help but promote its own interests over customers.”](#)

## January 2023

1/23 – [Ongoing opposition by states and UFCW locals discussed in Supermarket News article..](#)

## February 2023

2/1 – **More Perfect Union** [posts video discussing harms and concerns of proposed merger.](#)

2/15 - [Colorado Attorney General begins series of statewide listening sessions](#) to hear from workers, community and others about their reactions to the proposed merger. UFCW Local 7 members attend these meetings and provide critical concerns about the proposal.

## March 2023

3/24 – [Launch of national coalition “NoGroceryMerger.com”](#) and website as a one-stop for the anti-merger efforts with over 100 organizations. This also becomes a place to chronicle much of the media coverage around the country about the opposition and provides a degree of a check and balance to the Kroger and Albertson’s PR machinery. <https://www.nogrocerymerger.com/news>

## April 2023

4/4-4/13 – [Grocery store workers take actions in front of stores across the nation](#) to connect with customers and share concerns about the proposed merger and how it would harm workers and customers with closed stores, lay-offs, higher prices, and in some locations food deserts.

## May 2023

After months of deliberation and ultimately a unanimous vote at the UFCW International Convention opposing the merger, [UFCW International Union announces opposition to the proposed Kroger Albertsons merger](#). National press coverage is widespread including a Wall Street Journal headline: *“Biggest Grocery Union Opposes \$20 Billion Kroger-Albertsons Deal - UFCW International is concerned about potential divestitures and stores’ future viability.”*

## June 2023

6/29 – A week of actions held by UFCW grocery store workers across the nation include many in California that generated local press coverage like KTLA 5 TV story: [Southern California grocery workers rally against Albertsons-Kroger merger \(youtube.com\)](#)

## July 2023

7/26 – [Coalition of UFCW locals issue statement condemning announced pay-outs of over \\$146 million to top executives if merger were approved.](#) [Coverage includes Cincinnati Enquirer article.](#)

## August 2023

8/23 – State Treasurers raise concerns about proposed merger. News stories include Bloomberg Law article: [“Kroger Grocery Deal Will Harm Workers State Treasurers Tell FTC”](#)

## September 2023

9/20 – [National press conference held by coalition of local UFCWs](#) to expose concerns about the recently announced divestiture to C&S Wholesale. Generates significant local and national press coverage and begins the public discussion of major concerns about C&S as an inadequate proposed remedy to the proposed mergers anti-trust challenges. Results in many stories including **Supermarket News** story titled *“UFCW cites ‘echoes of Hagen’ in proposed C&S deal”*

9/27 – UFCW local 7 hold Town Hall with members to update on opposition to proposed merger and take questions. Thousands attend.

## October 2023

10/30 – [Progressive Grocer published op-ed titled: Opinion: Kroger-Albertsons Proposed Mega-Merger Is a Threat to Workers and Shoppers Alike](#)

## November 2023

11/1 - FTC Chair Khan hold listening session in Denver and hears widespread concerns from workers, consumers, suppliers and others. Significant press coverage of event includes stories like the [Colorado Public Radio story: “Grocery workers ask FTC chair to stop Kroger Albertsons merger during Denver visit”](#) UFCW members from California, Washington and Colorado attend this important event to share their stories.

**11/11** – Marshall Steinbaum, an economic from University of Utah, issues report that was supported by coalition of local UFCWs 5, 7, 324, 400, 770 and 3000, titled: [Evaluating the Competitive Effect of the Proposed Kroger-Albertsons Merger in Labor Markets](#)

**11/14** – [American Economic Liberties Project, hold national briefing and press event](#) with UFCW grocery store members and representatives from five additional organizations including: Ranch Foods, Independent Grocers Association, Open Markets Institute, Farm Action and Alaska Public Interest Research Group

## December 2023

12/11 – Teamsters International issues strong statement in opposition to merger divestiture proposal: [TEAMSTERS CALL ON FTC TO REJECT KROGER-ALBERTSONS PROPOSED ASSET SALES TO C&S](#)

## January 2024

1/15 – UFCW local coalition Issues statement applauding Washington State Attorney General Lawsuit – with our quote in local and national press coverage of the lawsuit. Coverage includes national [AP story: “Washington State Sues to Block Proposed Merger of Kroger and Albertsons Grocery Chains”](#)

1/23 - Held two webinars (1/23 AM and PM) to update members on details of the proposed merger and collective efforts to fight the proposal with over 500 members in attendance.

1/25 - Held multiple meetings with Kroger as well as C&S Wholesale. We found out no new information in the meetings that dissuaded us from our position of opposition, in fact we found out additional concerning information as well continued to ask for information that was still not provided.

1/26 - Held national online press conference (1/26) to continue to clarify our position of opposition so media and members of the public understood our reasons and the various threats to workers, consumers and communities by both the proposed merger and the proposed divestiture plan – with over 50 reporters in attendance. Generated local and national press coverage educating the public, workers and others. Example: <https://www.cbsnews.com/colorado/news/grocery-worker-union-gives-update-proposed-kroger-albertsons-merger-timeline/>

## February 2024

2/1 - UFCW 3000 and Teamsters 38 hold live Telephone Town Hall to update and educate members, and answer questions of members with thousands of members in attendance.

2/14 – Colorado Attorney General files lawsuits against the merger. Local and national coverage. One example: CBS News Colorado: <https://www.cbsnews.com/colorado/news/colorado-attorney-general-files-lawsuit-block-merger-between-kroger-albertsons/>

2/22 – The Washington State Legislature passed SB 6007 – a new law to provide protections for grocery store workers from the harm that can result when chains merge and the consequences include layoffs and store closures.

4/22 – Kroger announced their newly expanded proposed divestiture for sale of over 550 stores to C&S wholesale if merger were approved by regulators. Coalition of our seven UFCW locals (5, 7, 324, 400, 770, 1564 and 3000) immediately criticized this expansion as likely even worse than the originally broken proposal. [Our commentary was added to many critics of the plan in media coverage including the national story in Reuters.](#)