

U.S. House of Representatives
Rep. Sharice L. Davids
Kansas Third District

October 30, 2024

The Honorable Lina Khan
Chair
Federal Trade Commission
600 Pennsylvania Avenue
Washington, D.C. 20580

Dear Chair Khan,

I write to the Federal Trade Commission (FTC) to inquire about the status of the Robinson-Patman Act (RPA) and the present state of its enforcement mechanisms. The RPA, in its current form, establishes a strong framework for ensuring fair competition in the food industry and prohibits anticompetitive pricing practices. Although the legislation is a strong framework, it falls short in laying out explicit terms of how these regulations can and should be enforced. We face an economy in flux in the aftermath of the pandemic, and a result of this lack of enforcement of the RPA has let the current food industry become dominated by larger grocery giants, pushing out smaller grocers. The resulting financial burden is falling on our hardworking constituents and their families.

Since 2020, both consumers and local grocers have expressed great concern to me with regard to rising costs of goods and services. Upon further investigation and a discussion among constituents and local grocers in my district on May 10, 2024, these price hikes appear to be a function of delayed economic recovery, as well as the concentration of the food supply chain by larger chains and grocery conglomerates. My constituents deserve strong competition so they can have more choices to shop for the best bargains, which also helps prevent large corporations from taking advantage of them and smaller businesses.

Passed in 1936, the RPA is a piece of landmark, fair competition-based legislation that seeks to level the playing field for retailers by ensuring that small and large businesses pay the same price for similar products. Specifically, it prohibits sellers and buyers from participating in economic activities based on favoritism and providing certain discounts/prices to certain buyers to avoid concentration of the food supply chain. Though this framework proved a positive force on the economy shortly after its passage, in the last 40 years, there has been little enforcement or oversight of this law, and high levels of concentration in the food and retail industry are rampant — with the effects dramatically impacting small businesses and consumers.

I request that the FTC conduct a comprehensive, complete investigation into the state of current enforcement of the RPA and some of the adverse effects the lack thereof may have had on small farms and small businesses, as well as the price of groceries. Local grocers and storefronts are the

backbone of America's small business community, and we hope to see the FTC take steps to protect our entrepreneurs and families who are bearing the brunt of higher grocery prices.

I urge you to consider these points with full and fair consideration. I look forward to working with you and appreciate the work that the FTC fulfills.

Sincerely,

A handwritten signature in blue ink, appearing to read 'SD', with a stylized flourish and a period at the end.

Sharice L. Davids
Member of Congress