

Congress of the United States
House of Representatives
Washington, DC 20515-0902

April 1, 2022

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

Dear Chair Khan,

As our nation confronts disrupted supply chains and rising price indexes, I ask the Federal Trade Commission (FTC) to use its existing authority to study conduct that could violate laws under your purview. While I remain especially concerned over President Biden's policies that are causing spiraling inflation, I am also concerned with entities that take advantage of the current environment. The anticompetitive effects of discriminatory pricing and other anticompetitive businesses practices can further affect the already pressured supply chains. It is important to ensure the FTC addresses proven cases of questionable practices, while still allowing ethical businesses to price their products reasonably to meet the demands of today's "everything-inflation" economy.

Small and medium-sized businesses are critical for communities in rural America, such as the Second District of Florida. These include regional and local grocery stores and convenience stores, which are typically the only source of groceries, consumers goods, and pharmaceuticals in many small towns in my district. In addition, many of these businesses are family-owned, create jobs, and provide a viable option for individuals who do not have access to adequate transportation to travel to larger chain stores, which may be hours away.

The effects of shipping delays and labor shortages caused by the COVID-19 pandemic and Russia's invasion of Ukraine continue to add to President Biden's historic inflation across all industries. On March 10, 2022, the U.S. Bureau of Labor Statistics (BLS) reported that, "all six major grocery store food group indexes increased in February 2022." In addition, BLS stated, "The all items index rose 7.9 percent for the 12 months ending [in] February. The 12-month increase has been steadily rising and is now the largest since the period ending January 1982."¹

Unfortunately, many low-income and rural consumers typically do not have access to adequate resources to address issues caused by supply chain disruptions and inflationary pressure. We must ensure the federal government is studying all factors that could further add to rising prices. On November 29, 2021, the FTC issued orders under Section 6(b) of the FTC Act, to Walmart

¹ <https://www.bls.gov/news.release/cpi.nr0.htm>

Inc., Amazon.com, Inc., Kroger Co., C&S Wholesale Grocers, Inc., Associated Wholesale Grocers, Inc., McLane Co, Inc. Procter & Gamble Co., Tyson Foods, Inc., and Kraft Heinz Co.² These studies are important to clarify what could be driving supply chain issues that are impacting the prices my constituents.

However, the FTC must also acknowledge the supply and demand issues associated with the pandemic, poor policy decisions, and the Russian invasion, while reviewing the current state of the economy. In addition, the FTC must not forget the important role state and local authorities have in enforcing laws and regulations related to pricing decisions.

Our nation's consumer protection and competition laws are designed to protect against business practices that ultimately hurt consumers. Please ensure the FTC, under its existing authority, reviews such issues.

Sincerely,



Neal P. Dunn, M.D.
Member of Congress

² <https://www.ftc.gov/news-events/news/press-releases/2021/11/ftc-launches-inquiry-supply-chain-disruptions>