<u>Fair Competition for Small Business Act of 2025</u> Sen. Cory A. Booker

Across the nation, small, independent grocers are the lifeblood for many communities. Providing not just food and other necessities for many towns and neighborhoods, but serving as a cornerstone of their community. The <u>National Grocers Association</u> estimates that independent grocers provide over 1.1 million jobs across the country, and deliver over 41 billion in direct wages. In some communities, particularly rural ones, community grocers may be the only option to get one's weekly groceries.

Major Big Box stores, however, often make it difficult for these small businesses to *stay* in business, weaponizing their outsized market share to disadvantage competitors. These dominant retailers are able to use their significantly larger buying power to dictate the prices suppliers offer them. As they control such a large share of the market for groceries, and other industries, they can extract steep discounts on wholesale goods from suppliers. But manufacturers do not share these discounts equally with smaller retailers. Instead, these small and independent grocers are typically charged higher prices for the same goods.

Federal antitrust enforcers have a tool to combat this, the *Robinson-Patman Act* (RPA). Passed in 1936 to protect smaller grocers from an increasingly dominant chain store at the time, the law prohibits price discrimination, charging different prices to different buyers for the same product. It also prohibits buyers from knowingly inducing or receiving discriminatory prices. Unfortunately, federal antitrust agencies have not consistently enforced the law. Just recently, President Trump's Federal Trade Commission (FTC) dropped its RPA case against Pepsi, initially brought by the agency under the leadership of Chair Lina Khan, which accused the second-largest food company in the world of providing one customer, a big box retailer, unfair pricing advantages, while raising prices for competing retailers and customers.

Senator Cory Booker's Fair Competition for Small Business Act of 2025 would enable state attorneys general to pick up the slack and seek monetary damages on behalf of their constituents – known as "parens patriae" damages – when bringing cases under the Robinson-Patman Act. Currently, state attorneys general may only seek injunctive relief or damages in their capacity as private parties, which often fails to result in real change. The ability to recover parens patriae damages would incentivize state AGs to go after RPA violations in their state, as bringing antitrust cases is often resource-intensive, requiring significant financial investment and staffing. Indeed, states have parens patriae damages authority to enforce the Sherman Act. There is no reason they should not have the same authority and incentive to enforce the RPA.

The simple, two-page Fair Competition for Small Business Act of 2025 amends the Clayton Act, the landmark antitrust law which houses the RPA, to allow state AGs to bring civil actions for damages as parens patriae for injuries sustained by violation of the RPA, just as they are able to do for Sherman Act violations.

If we cannot rely on a Trump FTC to rigorously enforce our antitrust laws, we must empower our state attorneys generals to protect small businesses from monopolistic, big box stores which make it almost impossible for small businesses, including independent grocers, to stay in business for their communities.

The Fair Competition for Small Business Act of 2025 is endorsed by the American Economic Liberties Project (AELP), National Grocers Association, Institute for Self-Reliance, Farm Action Fund, P Street, Main Street Competition Coalition, and Small Business Rising.

Please email Brianna Walker, in Sen. Cory Booker's office, for more information.