

United States Senate

December 19, 2023

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

Dear Chair Khan:

I write with significant concerns about the proposed merger between The Kroger Company (Kroger) and Albertsons Companies, Inc. (Albertsons), and its potential impact on already high grocery costs for Nevadans. At a time when working families in Nevada and across the country are facing high costs for housing, gas, groceries, energy, and more, the Federal Trade Commission (FTC) must fully exercise its antitrust authority to review and consider blocking this merger, which could increase costs for Nevadans even further.

As you know, on October 14, 2022, Kroger announced that it would acquire Albertsons for \$43.6 billion. Were the acquisition to be approved, the five largest food retailers in the country would control more than half of all grocery sales. Nevadans are therefore understandably concerned that this merger could mean less competition and higher food costs, with the deal giving the newly-merged company the power to unilaterally raise prices in Nevada supermarkets.

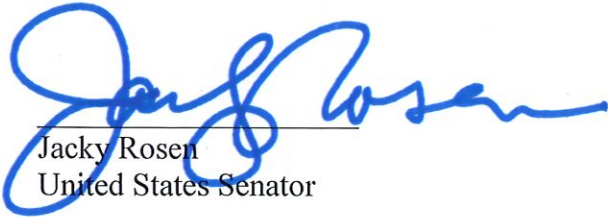
The grocery store mega-merger could be particularly problematic for my state because both Kroger and Albertsons have a strong presence in Nevada. Kroger subsidiary Smith's Food and Drug has 46 grocery stores across twelve cities in Nevada, including locations in rural communities like Elko, Mesquite, and West Wendover, where there are only a few grocery options and limited competition. Albertsons, which also operates Safeway and Vons, has 35 locations in Nevada in six cities: one in Boulder City, one in Elko, four in Henderson, 27 in Las Vegas, one in North Las Vegas, and one in Pahrump. Safeway has seven total stores in Fallon, Hawthorne, Lovelock, Reno, Sparks, and Zephyr Cove. Vons has six locations in Las Vegas and three in Henderson. While I appreciate that the two companies have agreed to sell fifteen Albertsons stores in Nevada in order to address antitrust concerns, this does little to assuage concerns that the merger's resulting mega-chain will be able to raise prices on Nevadans throughout the state.

With Nevada families facing rising costs across the board, this would be a particularly challenging time for the Kroger-Albertsons merger to be approved. My constituents lack assurances that the proposed deal will not further increase food costs for hardworking Nevadans who are already getting squeezed by rising grocery prices. According to the U.S. Department of Agriculture, food prices nationwide increased nearly 10 percent in 2022 alone, with year-over-year inflation for "food at home" peaking at nearly 13.5 percent in August 2022. While inflation is slowing down in 2023, that does not mean that prices are going down, but merely that they are

not going up as quickly as last year. Nevadans cannot afford to get hit with even higher grocery prices as a result of this merger.

With this in mind, I urge the FTC to fully exercise its antitrust authority to closely review and consider blocking this merger, which has the potential to further raise grocery costs for Nevadans. I thank you for your immediate attention to this important matter.

Sincerely,



Jacky Rosen
United States Senator