

## State of Rhode Island Lieutenant Governor Sabina Matos

March 13, 2025

The Honorable Joseph Solomon, Jr. Chair, House Committee on Corporations House Lounge, Rhode Island State House Providence, RI 02903

RE: H 5551, 5552, 5553 -- 2025

Dear Chairman Solomon,

Thank you for the opportunity to address your committee in support of H 5551, H5552, and H 5553, which were introduced at my request as part of my Fair Price Grocery Agenda.

The price of groceries is too high. Nearly 2 in 5 Rhode Island households have reported being food insecure, local pantries are running out of supplies, and poor Rhode Islanders are missing over 42 million meals each year.

Why are prices so high? The data is clear. Both the Federal Reserve of Kansas City and the Federal Trade Commission have released studies that found that as much as half of pandemic-era price increases were from retailer markups, not inflation costs, and that the largest supermarket chains took advantage of pandemic "to come out ahead at the expense of their competitors and the communities they serve." While giant national chains have thrived, our families and our independent grocery stores are just scraping by.

That's why my office and I have assembled a Fair Price Grocery Agenda. The Fair Price Grocery Agenda is a series of four bills that address these unchecked practices by giant grocers. These practices range in scale from real estate shell games that cover whole city blocks down to the tags on each shelf; they range in time from as far back at the '80s forward to the coming decade. These are urgent pieces of legislation that protect consumers, empower local business, and revive competition in our markets. Before you tonight are three of those bills:

• **H 5551**, sponsored by Rep. Megan Cotter, which will protect Rhode Islanders from surge pricing at the grocery store. Electronic shelving labels are an emerging technology which replace paper price tags with digital screens. Those screens can change prices up to six times per minute, allowing superstores to implement surge pricing. This bill balances the desire for technological innovation against the danger of surge pricing by stipulating that food and other household goods would still need a physical price tag.

- H 5552, sponsored by Rep. Grace Diaz, which would protect independent grocery from anticompetitive coercive tactics by superstores. Modeled after the federal Robinson-Patman Act, this bill would help independent stores identify when they're being charged more for the same quantity and quality of goods by suppliers. Under this act, both independent stores and the Attorney General would have the ability to pursue damages caused by national superstores coercing suppliers into withholding discounts from those superstores' competitors.
- H 5553, sponsored by Rep. Thomas Noret, which ensures that all Rhode Islanders have access to digital coupons by requiring stores to offer in-store ways to get the same discount. This is a common-sense bill that protects the 21% of seniors who don't have a smartphone. We're proud to offer stores wide leeway in how they design these alternatives, but we must ensure that our most vulnerable populations have equal access.

None of these alone are a silver bullet to fix grocery prices, but every dollar matters for young families, senior citizens, and every Rhode Islander who needs a break. We need to take action and pass these bills to give those Rhode Islanders fair grocery prices. I urge you to recommend passage of these three bills to your colleagues in the House of Representatives.

Sincerely,

Sabina Matos

Lieutenant Governor of Rhode Island

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CC: The Honorable Members of the House Committee on Corporations