

House Judiciary Committee
Rhode Island General Assembly
82 Smith St
Providence, RI 02903

March 25, 2025

Dear Chair Craven Sr. and Members of the Committee,

My name is Pat Garofalo, and I am the director of state and local policy at the American Economic Liberties Project, a research and advocacy organization dedicated to reducing the power dominant corporations wield over our economy and democracy, in pursuit of economic liberty for all. I write to offer our support for the Fair Price Grocery Agenda, of which one bill is before you today.

The U.S. has one-third fewer grocery stores today than it did 25 years ago. It's no coincidence that during that time there has been a substantial rise in consolidation within the food retail sector at every level: national, state, metro area, and county.

This consolidation has given dominant corporations within the food sector – including suppliers, large grocers, and big box stores – pervasive pricing power, which, when combined with general inflationary pressures, has led to increasing food costs and limited shopping options for Rhode Island families. To that point, between 2020 and 2024, food prices rose by nearly 25 percent, outpacing the overall Consumer Price Index.

The Fair Price Grocery Agenda begins to address imbalances caused by consolidation by putting in place: 1) new consumer protections to protect Rhode Island shoppers from abusive pricing tactics and so-called “surveillance pricing” by dominant grocers (H 5551 and H 5553); 2)

ensuring that dominant grocers can't monopolize local markets through restrictive contracts (H 5902); and 3) re-setting the playing field between suppliers, dominant grocers, and smaller and medium-sized grocers to ensure the latter can compete fairly on price and aren't boxed out of the market by anti-competitive practices and agreements (H 5552).

The bill before you today, H 5902, is a key part of the package. Restrictive deeds are an unfair method of competition that allow incumbent, dominant retailers to lock up land and prevent the entrance of new market participants who could compete with them on prices.¹ As the International Association of Assessing Officers put it, "It is certain that deed restrictions, by design, are imposed to limit competition."²

Research shows that food deserts are the result of corporate power and consolidation³, which allow dominant grocers to ignore underserved areas in the name of driving business to existing stores elsewhere, and make it impossible for small, local entities to get into the market and compete, goals which are directly served by restrictive deed covenants – which is why several cities, including Washington, D.C., and Chicago, already render them illegal for grocery stores.

There is no magic bullet or single piece of legislation that can correct decades of failed antitrust and consumer protection policy across the economy, or in the grocery sector specifically. But the Fair Price Grocery Agenda is a very good down payment on that much-needed effort.

Thank you for your time,

Pat Garofalo
Director of State and Local Policy
American Economic Liberties Project
pgarofalo@economicliberties.us

¹ Jackson, Jordan, "Running (Away) with the Land: A (Super) Market Problem," Georgetown University Law Center, 2023. https://www.law.georgetown.edu/georgetown-law-journal/wp-content/uploads/sites/26/2024/03/Jackson_Running-Away.pdf

² "Commercial Big Box Retail: A Guide to Market-Based Valuation," International Association of Assessing Officers, Sept. 2017 https://www.iaao.org/wp-content/uploads/Big-Box_Paper_Sept17.pdf

³ Garofalo, Pat, "Tax Breaks Won't Fix Food Deserts," Boondoggle, Aug. 9, 2021 <https://boondoggle.substack.com/p/tax-breaks-wont-fix-food-deserts>