

May 18, 2022

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi and Leader McCarthy:

I write to express the opposition of the National Retail Federation (NRF) to H.R.7688, the Consumer Fuel Price Gouging Prevention Act. We are concerned with the prospect of new federal legislation to address rising prices that are not the product of illicit price-gouging behavior, but rather are a result of inflation, supply chain restraints and the pandemic. **Please note that NRF will consider votes for and co-sponsorship of H.R. 7688 and related amendments as part of the Retail Opportunity Index for our voting scorecard.**

Retail is a highly competitive industry with transparent pricing. Retailers today operate in an environment where the costs of almost everything are rising as the result of the pandemic-driven supply chain pressures and overstimulated consumer demand. Retailers, for example, are paying higher energy bills and rents, not to mention the increasing cost of goods, transportation and wages. As evidence:


- The Producer Price Index (PPI) was up 11 percent on an annual basis in April;
- General freight trucking prices have increased by 40 percent and deep-sea freight by 25 percent year-over-year;
- Wages for retail frontline workers are increasing faster than the average U.S. wage; and
- Even the costs of routing credit card transactions on Visa and Mastercard networks were raised in April.

Efforts to develop federal price gouging legislation are highly misguided. Moreover, the proposed legislation duplicates laws in nearly 40 states that address price-gouging. Key elements of state price gouging laws include government authority that is provided during an *emergency* that is principally focused on *excessive* prices for essential goods and services that are *not accounted for by other cost factors* in the marketplace. While state laws in this area are generally well established and targeted, H.R. 7688 lacks sufficient language to protect retailers from unnecessary investigations and potential enforcement by the Federal Trade Commission (FTC) over legitimate price increases.

We also oppose extending the enforcement authority of the FTC and state attorneys general to a proposed federal law that would not preempt existing price gouging laws in over 80 percent of states and federal jurisdictions, including the District of Columbia. Different interpretations of a federal price gouging law by state attorneys general and the FTC will exponentially increase its inconsistent application and enforcement.

NRF supports efforts to rid the marketplace of bad actors who deceive consumers through unfair or deceptive practices, including illegal price-gouging activity. However, H.R. 7688 would expose retailers to enforcement actions for legitimate price increases. For these reasons, we urge you to vote “Nay” on H.R. 7688.

Sincerely,



David French
Senior Vice President
Government Relations

cc: Members of the U.S. House of Representatives