

**Testimony of Linda Caprara on
behalf of the Maine State Chamber of Commerce
In Opposition to L.D. 1894, An Act to Address Consumer Grocery Pricing Fairness
May 12, 2025**

Good Afternoon Sen. Curry, Rep. Gere and Members of the Joint Standing Committee on Housing & Economic Development. My name is Linda Caprara. I am the Vice President of Advocacy for the Maine State Chamber of Commerce. We are testifying in opposition to L.D. 1894, "An Act to Address Consumer Grocery Pricing Fairness."

The legislation restricts businesses from negotiating in the free market for the pricing of goods and we would strongly encourage the Legislature to allow the current standards of enforcement on uncompetitive behavior to be enforced at the state and federal level.

Specifically, the bill attempts to ensure grocery pricing is similar between smaller and larger grocers, but it would have significant effects on consumer pricing and economic growth here in the state. A free marketplace allows retailers to purchase items in bulk and pass those savings onto consumers benefits everyone. Basically, L.D. 1894 targets large grocery retailers that operate in at least 20 states and generate over \$18 billion in revenue. The bill also targets suppliers that sell grocery items in the state in an aggregate amount exceeding \$6 billion annually.

We feel the bill interferes with a free market. Retailers purchasing in bulk can reduce suppliers costs with respect to shipping so those savings can be passed onto consumers in terms of lower wholesale prices benefiting consumers. These additional regulations will only burden businesses and ultimately increase pricing for end-use consumers.

With respect to the defined "suppliers" in the bill, it outlines what is considered unfair pricing practices by these suppliers. It requires that these suppliers extend the same terms of sale of "same covered goods" with respect to price, discounts, rebates, delivery terms, payment terms, package size, promotional allowances, marketing devices to all "covered retailers and wholesalers" that purchase the grocery item or packaged goods as defined in the bill. It also states that refusing to sell a "same covered good" to a covered retailer or wholesaler is engaging in unfair pricing practices.

There is a federal law already in force, known as the Robinson-Patman Act, which regulates and prohibits anti-competitive behavior with respect to pricing and is enforced by the Federal Trade Commission. As it is a federal law, the US Attorney for the District of Maine already has the ability to enforce it. There is no need for Maine to pass an even more onerous state law that limits competition in the marketplace.

- LD 1894 is inflationary. It would discourage discount pricing practices within grocery store supply chains, causing prices to go up not down. Those that argue otherwise believe in the myth that suppliers would only price products at the lowest levels offered.
- If dominant retailers are prohibited from negotiating bulk discounts, savings may no longer be passed on to consumers, raising not lowering prices.
- If passed, this law would cause suppliers to rethink whether they want to risk supplying their products in Maine, some may chose to avoid selling into the state to avoid any potential liability altogether.

- Aggressive regulations will have the opposite effect, less investment, less jobs and impacting economic growth

We urge the Committee to vote ought not to pass on 1894.