

FAIR PRICES FOR LOCAL BUSINESSES ACT

Small businesses are the beating heart of communities. They provide jobs and goods, support community initiatives, and create a feeling of local identity that makes a city or town unique. But global mega-corporations stack the deck against local retailers on prices, like when Pepsi and Walmart allegedly colluded to drive up prices for Pepsi products at grocery stores competing with Walmart. Schemes like this force American families to choose between paying higher prices or watching as local businesses disappear from their hometowns.

None of this is supposed to be legal. Congress prohibited price discrimination as a method to crush competition back in 1914 and strengthened that law in 1936 with the Robinson Patman Act. But over time, big corporations convinced courts to hollow out the law and got the government to stop enforcing it. As a result, giant retailers have rigged the pricing system in their favor, putting local shops out of business and creating food deserts in poor and rural communities that used to have local grocery stores.

The Fair Prices for Local Businesses Act would revive the ban on charging small businesses more than big chains for the same products. The bill would allow retailers to continue getting lower prices from suppliers for things like bulk purchases, and would unrig the system so that small businesses can also offer lower prices to American families.

The Fair Prices for Local Businesses Act would:

- **Repeal the “meeting competition” defense:** Under current law, price discrimination is legal if the supplier is meeting a competitor’s price to the retailer. Massive retailers would no longer be able to squeeze all their competing suppliers for special deals, creating competition that brings down prices at retailers large and small alike.
- **Hold power buyers accountable:** Big retailers are rarely held accountable for receiving illegal price discrimination because plaintiffs must prove they did so knowingly. The bill would eliminate the “knowingly” requirement for retailers with more than \$100 billion in annual sales, because these huge corporations know or should know how suppliers price their products.
- **Expand the law to cover services, not just goods:** Local shops and restaurants would no longer pay higher costs for services like delivery apps, point of sale systems, and credit card swipe fees.
- **Set minimum damages to equal the cost of price discrimination:** The bill would simplify damage awards for victims of price discrimination to at least match the higher prices they had to pay.