



Member Focused; Results Driven

March 13, 2025

OPPOSE

Representative Joseph J. Solomon, Jr.
Chairperson; House Corporations Committee
The State House
Providence, RI 02903

RE: House Bill 5552 – “Price Tags Act”

Dear Chairperson Solomon:

My name is Scott Bromberg, and I am the President & CEO of the Rhode Island Food Dealers Association, a trade association established in 1909 to serve the needs of the food industry in the State of Rhode Island. Our membership includes chain and independent grocery retailers, wholesalers, suppliers, distributors, food manufacturers, brokers, and other organizations affiliated with the food industry in our state. As an industry, we are among the state’s largest employers and revenue generators.

On behalf of our members, I would like to take this opportunity to register our group’s opposition to House Bill 5552. We believe that this legislation has the best intentions, but it is unclear how it protects Rhode Island residents. The stated intent of this legislation is to attempt to ensure that small businesses have the same pricing available to them as the larger stores in the industry. We fear that this is not only an impossibility but may create a more hostile environment for smaller retailers.

The legislation defines covered goods as eligible foods and consumer packaged goods excluding gasoline, prescription drugs, tobacco, and alcoholic beverages. In addition, the channel of trade definition goes far beyond just grocery stores to also include mass merchandisers, online retailers, discounters, convenience stores and other retail platforms that have a segment of retail competing for grocery dollars. Both the scope of items and businesses within this legislation are extremely varied and can lead to a lot of confusion. This legislation is a general retail legislation and not an exclusive grocery store legislation as indicated in the title.

The basis of this legislation is the same item/quantity of a given covered good. If two covered retailers/wholesalers are buying the exact same item in the exact same quantity, then you request pricing and sales contracts. This is rarely the case. Many of our members receive goods from out-of-state wholesalers/distributors and manufacturers, and they have different ways of

distributing to their locations. In some cases, the retailers' purchasing departments are out of state, and they order in vastly different quantities. It would be extremely difficult to establish the same item/quantity in the case of a smaller retailer and larger retailers. Therefore, it would be difficult to enforce and not get the desired effect. We also believe that this legislation will dissuade manufacturers and suppliers from wanting to do business in Rhode Island and could lead to increased costs at the registers and decreases sales across the board.

This legislation is more feasible for businesses that are the same size and may order a case or a pallet of a covered item. Typically, these are smaller/local retailers. A smaller/local retailer would have a better chance of receiving the same pricing as another smaller/local retailer. We believe this will create a hostile small business environment.

Our association recognizes the good intentions behind House Bill 5552, but if passed, it could create a more hostile environment for small businesses. The proposal is also extremely difficult to enforce and could deter manufacturers and suppliers from wanting to do business in Rhode Island. Therefore, it may harm Rhode Islanders as opposed to protecting them. For these reasons, we oppose House Bill 5552.

Sincerely,



Scott Bromberg
President & CEO
RI Food Dealers Association

CC: Hon. K. Joseph Shekarchi, Speaker
Rhode Island House of Representatives

Hon. Christopher R Blazewski, Majority Leader
Rhode Island House of Representatives

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