

The Stop Price Gouging in Grocery Stores Act

This bill prohibits price gouging by grocery stores, including "personalized price gouging" where stores use consumers' sensitive personal information against them to raise prices.

Across the country, families are struggling to put food on the table. According to the latest data, more than 47 million Americans are food-insecure, including more than 7 million children. In recent years, accessing safe and nutritious food has only become harder for families. Since 2020, what families pay at the grocery store has gone up more than 28 percent.

This bill directs the Federal Trade Commission to enforce a ban on price gouging by grocery stores, ensuring that corporate greed is not an obstacle to families accessing the food they need.

The Stop Price Gouging in Grocery Stores Act also addresses the ability of corporations to leverage new technology against consumers. Electronic shelf labels, for example, allow stores to change prices in a matter of seconds. Even worse, grocery stores can charge you a higher price for an item after feeding your personal data into an algorithm and determining that you are willing to pay more than the next person. This is <u>surveillance pricing</u> and it's a serious threat to affordability for our families.

Corporations often collect and purchase your personal information to create a detailed profile of you. This information—paired with mobile apps, online stores, smart carts, electronic shelf labels, and facial recognition or other biometric technology—allows companies to charge different people different prices for the <u>same item</u>.

Target, for example, charged consumers using its app <u>higher prices</u> when they were inside their stores, assuming that the consumer either wouldn't notice or was less likely to go elsewhere. This is outrageous and wrong.

Companies should not be able to use your online history, past purchases, or location information to charge you a higher price. Corporate price gouging and surveillance pricing must stop.

The Stop Price Gouging in Grocery Stores Act:

- prohibits price gouging by retail food stores;
- prohibits surveillance pricing in retail food stores, with narrow exceptions for things like senior or student discounts;
- requires food stores to disclose the use of facial recognition technology;
- bans electronic shelf labels in large stores;
- establishes an enforcement mechanism to hold corporations accountable.

For more information, please contact Will.Flagle@mail.house.gov or call (202) 225-5126.