

Alaska State Legislature

120 4th Street
Alaska State Capitol



Juneau, Alaska
99801

October 2, 2023

Lina Khan Chair,
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Chair Khan,

As state lawmakers representing diverse communities throughout the state of Alaska, we write to strongly urge you to stop the proposed Kroger Company merger with Albertsons. Kroger anticipates closing 14 stores in Alaska owned by Albertsons, currently operating under Carrs and Safeway. The merger creates an opportunity for monopolistic practices and an environment that lacks competition, as these companies are Alaska's two major grocery store chains. Alaska already has some of the highest grocery prices in the nation, especially in our more secluded and rural areas, connected only by air or water. We cannot, in good conscience, support unnecessary cost increases that place barriers on Alaskans' ability to put food on the table.

Local store closures by this merger will inevitably lead Kroger to lay off hundreds of Albertsons employees, most of whom are part of a well-established labor union that advocates for livable wages and benefits – whereas Kroger does not offer similar packages. Recently, a spokesperson for Kroger claimed the company would invest an additional billion dollars into wages and benefits, but thousands of Alaska Albertsons employees are left wanting to know what that looks like and how the merger is going to impact them directly.

The Kroger-Albertsons merger will present yet another hurdle for working Alaskans to earn a livable wage, impacting our economy, and possibly placing additional strain on essential government services. Over the past year, the legislature has dug deep into labor and hiring concerns within the state. We are already lacking the ability to attract and retain a workforce to strengthen our economy. Recruitment and retention of employees are hurdles we are facing within both public and private sectors. Municipalities are providing unprecedented hiring bonuses for police officers, bus drivers, and educators, while private sector businesses are having problems filling vacant positions in the service industry, childcare, and healthcare industries, to name only a few. The federal government must consider Alaska's unique economy when considering this merger; its decisions should help us address our workforce challenges, not generate additional hurdles.

Additionally, over the past few months since the merger was announced, we, and many Alaskans, are left with unanswered questions. Recently, Kroger announced it would close 14 stores throughout the state but did not identify the locations. This leaves many communities worried, and rightly so, that a reliable and affordable food source may not be as readily available anymore. It could mean families in an already weakened economy may have to find income in another community or state.

We understand that Kroger has conducted an extensive campaign and identified C&S Grocery as a buyer for the anticipated closed stores, but Alaskans are leery, having already experienced prior grocery store mergers. In the late 1990s, Safeway purchased all locally owned Carrs grocery stores in the state, and despite the promise of continued employment and increased competition, they soon left the state. Alaska Marketplace purchased those closed stores and began business as a competitor to Safeway, but within a short period of time, the company closed, leaving many communities without competition.

Another concern is Kroger's decision to end its pharmacy contract with Express Scripts this past January. This means that any Alaskan who uses Express Scripts as their pharmacy benefit manager will not be able to obtain their prescriptions from a Kroger-owned pharmacy, forcing Alaskans to scramble to find other prescription-filling options. If approved, Alaskans do not know if the merger will further limit their access to needed prescriptions or if they will have the option to go to their trusted pharmacy of choice. This will directly place barriers for customers to access medications under the new management system here in Alaska.

As you are well aware, Alaska is isolated from the rest of the lower 48, and when decisions are made that ignore Alaska's unique economy, we feel it directly and almost immediately, which can translate into significant unintended consequences for our citizens. We are a sparsely populated state with many considerable challenges, and what may work in "urban America" often does not translate the same when applied to Alaska. We ask that you take this into consideration and rule to oppose this merger – for the sake of our economy and its many hard-working Alaskans and their families.

Sincerely,



Senator Cathy Giessel



Senator Bill Wielechowski



Senator Loki Tobin



Senator Matt Claman



Senator Jesse Kiehl



Senator Scott Kawasaki



Senator Forest Dunbar



Senator Elvi Gray-Jackson



Senator Rob Myers



Senator Jesse Bjorkman



Senator Click Bishop



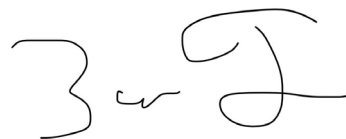
Representative Genevieve Mina



Representative Alyse Galvin



Representative Ashley Carrick



Representative Zack Fields



Representative Donna Mears



Representative Cliff Groh



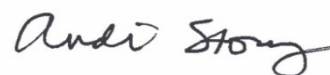
Representative Jenny Armstrong



Representative Bryce Edgmon



Representative Calvin Schrage



Representative Andi Story



Representative Sara Hannan



Representative Andy Josephson



Representative Louise Stutes

cc: U.S. Senator Lisa Murkowski
U.S. Senator Dan Sullivan
Congresswoman Mary Peltola