

ADAM SMITH
9TH DISTRICT, WASHINGTON

COMMITTEE ON ARMED SERVICES
CHAIRMAN

WASHINGTON OFFICE
2264 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-8901



Congress of the United States
House of Representatives
Washington, DC 20515

DISTRICT OFFICE

15 SOUTH GRADY WAY, SUITE 101
RENTON, WA 98057
(425) 793-5180
TOLL FREE 1-888-SMITH09

[HTTP://ADAMSMITH.HOUSE.GOV](http://adamsmith.house.gov)
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Vivek Sankaran
Chief Executive Officer
Albertsons Companies, Inc.
250 Parkcenter Blvd.
Boise, ID 83706

W. Rodney McMullen
Chief Executive Officer
The Kroger Co.
1014 Vine St.
Cincinnati, OH 45202

November 3, 2022

Dear Mr. Sankaran and Mr. McMullen:

I write today regarding the recently announced merger between Albertsons and Kroger, and the impact this will have on consumers and workers in Washington state. In addition, I am deeply concerned with Albertsons' plans to pay a "special dividend" to shareholders of \$4 billion as part of the merger agreement.

Grocery stores are critical infrastructure that provide food and other necessities to millions of consumers a day. At a time when grocery prices have increased, further consolidation in a market that is already highly concentrated raises serious concerns. I believe it is imperative that ample time is given to investigate the effects this merger may have on consumer prices, food access for consumers, and wages and employment for workers. Given state and federal regulators have yet to review the proposed merger for potential violations of law, I also believe it is imperative that action is not taken that would undermine the viability of either company. It seems a \$4 billion dividend to shareholders not only prioritizes shareholders over consumers and workers but has the potential to impact Albertson's ability to maintain competitive operations.

Albertsons employs thousands of workers who have raised reasonable fears that the dividend payment will lead to accelerated store closures and layoffs. The \$4 billion payment represents approximately a third of Albertsons' market capitalization that could be put into worker wages and store improvements to keep the chain competitive. In an area like the Puget Sound where Albertsons and Kroger are sometimes each other's biggest competition, I am particularly worried about the pressure that places on local stores to lower wages and slash benefits for workers.

I represent a district with a high concentration of Albertsons and Kroger stores. In several neighborhoods, the two chains are each other's biggest competitors. The merger process may be

substantially disruptive to many of my constituents. I firmly believe that this merger should be fully reviewed prior to any major shareholder payout.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Smith". The signature is stylized with large, flowing letters and a prominent "A" and "S".

Adam Smith