

**Congress of the United States**  
**House of Representatives**

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

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April 16, 2024

The Honorable Lina Khan  
Chair  
Federal Trade Commission  
600 Pennsylvania Ave, NW  
Washington, DC 20580

Dear Chair Khan:

The Committee on Oversight and Accountability is seeking information about the recently announced “new Strike Force” (Strike Force) led by the Federal Trade Commission (FTC) and the Department of Justice (DOJ), supposedly created to “crack down on unfair and illegal pricing” and hold corporations accountable.<sup>1</sup> The Committee is concerned that this Strike Force represents further politicization of your agency, will lead to abuse of the FTC’s authorities in more markets, and places DOJ’s enforcement of its antitrust authorities at greater risk of politicization as the FTC’s partner in this effort. A pattern in FTC enforcement already indicates political considerations play an outsized role in the FTC’s review of mergers: After President Biden blames an industry for increased prices caused by his own inflationary policies, the FTC launches investigations into players in that industry. The Committee has identified this pattern in the oil and gas and food and grocery industries. The timing of the Strike Force announcement, in an election year, raises the likelihood that political motivations rather than the interests of American consumers drove the action. To use the FTC as a tool in a political witch hunt against U.S. businesses would be a shocking misuse of the agency’s power. The Committee requests documents and information to understand the Strike Force and whether it rests on political motivations.

President Biden has turned to the FTC to tackle his political liabilities throughout his Presidency. In August of 2021, President Biden demanded that the FTC investigate “illegal conduct” in the oil and gas market.<sup>2</sup> After the President’s demands, the FTC required at least five oil and gas mergers to respond to second requests for information under the Hart-Scott-Rodino Act (HSR).<sup>3</sup> Last October, two more mergers in the oil and gas sector were announced.

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<sup>1</sup> Briefing Room, FACT SHEET: President Biden Announces New Actions to Lower Costs for Americans by Fighting Corporate Rip-Offs, The White House (Mar. 5, 2024).

<sup>2</sup> Letter from Brian Deese, Director, National Economic Council, to the Honorable Lina Khan, Chair, Federal Trade Commission (Aug. 11, 2021).

<sup>3</sup> David French & Diane Bartz, *EXCLUSIVE U.S. Slows Down Oil and Gas Mergers-Sources*, Reuters (Oct. 21, 2021).

Senate Democrats demanded the FTC investigate the deals.<sup>4</sup> Shortly after those demands, reports show that the FTC sent similar second HSR requests regarding these two mergers.<sup>5</sup> While not unprecedented, subjecting oil and gas producers to onerous second requests is historically unusual.<sup>6</sup> A former acting chair of the FTC characterized your actions as “really different” and even stated that the “FTC Chair, effectively, would like to deter mergers.”<sup>7</sup>

President Biden has taken a similar approach to rising food prices, treating grocery chains as scapegoats by blaming them for persistent inflation. Recently, at a political event on January 27, 2024, President Biden pressured grocery chains to lower prices.<sup>8</sup> The Biden Administration also accused grocers of overcharging as food costs eat up the highest percentage of Americans’ income in thirty years.<sup>9</sup> The New York Times reported on February 1, 2024, that White House aides were discussing how President Biden could put pressure on large grocery chains.<sup>10</sup> The following day, the chair of President Biden’s Council of Economic Advisers attacked grocery stores and issued a thinly veiled threat against the companies.<sup>11</sup> On February 26, 2024, the FTC announced it would attempt to block the proposed merger between Kroger and Albertsons on the premise that it would increase grocery prices for Americans.<sup>12</sup> A prominent labor union has steadfastly opposed the proposed merger since 2022 on the grounds that the merger would lead to higher grocery prices.<sup>13</sup> In October 2022, Democrat members of Congress accused both grocery chains of profiteering.<sup>14</sup>

The Committee is not taking a position on the merits of the proposed mergers, but this pattern strongly suggests the agency is being politicized. Legal challenges should be guided by the merits of proposed transactions and the law. This FTC—which is supposed to be an independent agency—has a history of doing President Biden’s partisan bidding. It is troubling that the FTC appears to be using its authorities as a political weapon at the behest of President Biden rather than to protect American consumers. The pattern signals that the new FTC-DOJ

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<sup>4</sup> Letter from Sen. Charles E. Schumer, et al., to the Honorable Lina Khan, Chair, Federal Trade Comm’n (Nov. 1, 2023).

<sup>5</sup> David Michaels, Collin Eaton, *FTC Investigates Exxon’s \$60 Billion Deal for Pioneer*, The Wall ST. J. (Dec. 5, 2023); *FTC Seeks More Information on \$53 Bln Chevron-Hess Deal*, Reuters (Dec. 8, 2023).

<sup>5</sup> Matthew Daly, The Associated Press, *FTC Doubles Down on Oil Industry Scrutiny as it Reviews Chevron-Hess Merger*, Fortune (Dec. 8, 2023).

<sup>6</sup> *Supra*, note 3; James Osbourne, *Exxon, Chevron mergers face test at Biden’s FTC*, Houston Chronicle (Nov. 14, 2023).

<sup>7</sup> *Supra*, note 3.

<sup>8</sup> The White House, “Remarks by President Biden at a Political Event at South Carolina’s First in the Nation Dinner” (Jan. 28, 2024).

<sup>9</sup> Jesse Newman & Heather Haddon, *It’s Been 30 Years Since Food Ate up this Much of Your Income*, The Wall ST. J. (Feb. 21, 2024).

<sup>10</sup> Jim Tankersley, *Biden Takes Aim at Grocery Chains over Food Prices*, The New York Times (Feb. 1, 2024).

<sup>11</sup> Trevor Hannicutt, *Grocery Stores Should Cut Prices as Costs Ease, Biden White House Says*, Reuters (Feb. 2, 2024).

<sup>12</sup> Press Release, *FTC Challenges Kroger’s Acquisition of Albertsons*, Federal Trade Comm’n (Feb. 26, 2024).

<sup>13</sup> Press Release, *UFCW Statement on Proposed Kroger-Albertsons Merger*, United Food and Commercial Workers International Union (Oct. 14, 2022).

<sup>14</sup> Letter from Sen. Elizabeth Warren, et al., to the Honorable Lina Khan, Chair, Federal Trade Comm’n (Oct. 25, 2022).

Strike Force will be used as a political tool that could have serious, negative repercussions for American businesses, workers, and consumers. Under your leadership, the FTC has already demonstrated that it is willing to sacrifice American jobs to achieve ideological and political goals.<sup>15</sup> The Committee worries that more of the same is to come with the Strike Force.

In order to better understand the motivations and goals of the new FTC-DOJ task force, as well as its relationship with and possible direction from the White House, please provide the following documents and information no later than April 30, 2024:

1. All communications internal to the FTC, communications between the FTC and the Department of Justice, communications between the FTC and White House officials, communications between the FTC and non-profit organizations, and all other documents and communications in the FTC's possession related to or regarding the establishment of the Strike Force;
2. All communications internal to the FTC, communications between the FTC and the Department of Justice, communications between the FTC and White House officials, communications between the FTC and non-profit organizations, and all other documents and communications related to or regarding the FTC's 2021 investigation to "address any illegal conduct that might be contributing to price increases for consumers at the pump"; and<sup>16</sup>
3. All communications internal to the FTC, communications between the FTC and the Department of Justice, communications between the FTC and White House officials, communications between the FTC and non-profit organizations, and all other documents related to proposed merger transactions between Kroger and Albertsons, Exxon Mobil and Pioneer Natural, Chevron and Hess, Diamondback Energy and Endeavor Energy Partners, XCL Resources and Altamont Energy, HollyFrontier and Sinclair Oil, Vertex Energy and Safety-Kleen Systems, and Occidental Petroleum and CrownRock.

The Committee on Oversight and Accountability is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate, "any matter" at "any time" under House Rule X. Thank you for your attention to this important investigation.

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<sup>15</sup> Press Release, Statement Regarding the Termination of Amazon's Proposed Acquisition of iRobot, Federal Trade Comm'n (Jan. 31, 2024); Rob Wile, *Roomba Maker iRobot Announces It's Laying Off 31% of Employees After Amazon Deal Falls Through*, NBC News (Jan. 29, 2024).

<sup>16</sup> Jasmine Melvin, *New FTC Chair Khan Not Afraid to Play Hardball with Oil, Gas Industry: Baker Botts, S&P Global* (Sep. 3, 2021).

The Honorable Lina Khan  
April 16, 2024  
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Sincerely,

A handwritten signature in black ink that reads "James Comer". The signature is written in a cursive style with a large, prominent "C" at the end.

James Comer  
Chairman  
Committee on Oversight and Accountability

Cc: The Honorable Jamie B. Raskin, Ranking Member  
Committee on Oversight and Accountability

The Honorable Merrick Garland, Attorney General  
U.S. Department of Justice