



April 7, 2020

Doug McMillon, President/CEO
Walmart
702 SW 8th St.
Bentonville, AR 72716

Re: Request for further actions to stop price gouging

Dear Mr. McMillon:

We write to request that you take further actions to stop price gouging. While we appreciate reports of the efforts made by platforms and online retailers to crack down on price gouging as the American community faces an unprecedented public health crisis, we are calling on you to do more at a time that requires national unity.

As COVID-19 spreads throughout the country, it is especially critical that Americans are not taken advantage of by unscrupulous sellers of products at exorbitant prices. Unfortunately, independent third-party organizations and journalists have documented multiple examples of price gouging of items that people need to protect themselves since the World Health Organization declared a global health emergency on January 30. Examples include price spikes of at least 50 percent for hand sanitizer and face masks on online retailers' websites.

Consumers are harmed when they purchase heavily marked-up products. Even new protections, including heightened monitoring, prohibitions on certain advertisements, and bans on selling certain items, have failed to remove exorbitantly priced critical supplies during the COVID-19 pandemic. When consumers are prevented from getting necessities to protect their homes and loved ones, or in this case, help prevent the spread of the virus, they suffer serious health consequences and economic harm.

With the pandemic expected to continue, your platform must enact stricter measures to prevent price gouging. We urge you to implement the following measures, or other policies that your

technicians devise, to ensure consumers do not have to worry about being taken advantage of while buying essentials to keep themselves and others healthy during emergency situations:

1. **Set hard caps on price increases during emergencies:** Rather than trying to stop price gouging after it has already occurred, online retail platforms should prevent exorbitant price increases from occurring in the first place by setting and enforcing price increase limits based on a 90-day average of the item's price before an emergency began. Exceptions to these price increases due to increased cost of business for sellers should be proposed to the online retailer and approved only after disclosure of additional costs actually incurred, including the identity of the wholesaler or supplier that levied the increase.
2. **Trigger price gouging protections independent of, or prior to an emergency declaration:** Price gouging on a platform often begins prior to official emergency declarations. The protections should be triggered when your system detects pricing spikes generally (e.g. scarcity at a time of recession or stock market crash) or conditions that could lead to price gouging, such as pending weather events or future possible health emergencies.
3. **Create and maintain a "Fair Pricing" Page/Portal where consumers can report price gouging incidents to you directly.** A simple tool requesting the name of the vendor, the item for sale, the alleged unfair price, and the state of residence of the complainant would quickly and efficiently allow you to identify and freeze or remove bad actors and make appropriate referrals for enforcement or prosecution. These complaints should be made available upon request by our Attorney General's office.

Your company has created an important online platform with a team of engineers capable of devising solutions to numerous problems. These are just a few potential solutions, and we hope your company will put its considerable technological prowess to work implementing these or other solutions to better protect your shoppers.

We believe you have an ethical obligation and patriotic duty to help your fellow community members in this time of need by doing everything in your power to stop price gouging in real-time. We look forward to your response to this letter and partnering with you to protect our communities.

Sincerely,



KANSEN CHU
Assemblymember, 25th District



ADRIN NAZARIAN
Assemblymember, 46th District



FREDDIE RODRIGUEZ
Assemblymember, 52nd District



REBECCA BAUER-KAHAN
Assemblymember, 16th District



WENDY CARRILLO
Assemblymember, 51st District



BRIAN MAIENSCHIN
Assemblymember, 77th District



STEVEN BRADFORD
Senator, 35th District



BUFFY WICKS
Assemblymember, 15th District



STEVEN CHOI, Ph.D.
Assemblymember, 68th District



SHIRLEY WEBER, Ph.D.
Assemblymember, 79th District



CONNIE M. LEYVA
Senator, 20th District



LORENA GONZALEZ
Assemblymember, 80th District



REGINALD BYRON JONES-SAWYER, SR.
Assemblymember, 59th District



JAMES GALLAGHER
Assemblymember, 3rd District



MEGAN DAHLE

Assemblymember, 1st District



LAURA FRIEDMAN

Assemblymember, 43rd District



NANCY SKINNER

Senator, 9th District



LUZ RIVAS

Assemblymember, 39th District



ROBERT RIVAS

Assemblymember, 30th District



ANNA CABALLERO

Senator, 12th District



LENA GONZALEZ

Senator, 33rd District



SUSAN RUBIO

Senator, 22nd District



TOM UMBERG

Senator, 34th District



PHIL TING

Assemblymember, 19th District

Sydney Kamlager

Ed Chau

SYDNEY KAMLAGER

Assemblymember, 54th District

ED CHAU

Assemblymember, 49th District



HANNAH-BETH JACKSON

Senator, 19th District



JIM WOOD

Assemblymember, 2nd District