

# Congress of the United States

Washington, DC 20515

May 14, 2025

The Honorable Andrew Ferguson  
Chair  
Federal Trade Commission  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

Dear Chair Ferguson,

We urge you to investigate the extent to which large companies are using the Trump Administration's tariff policies—and the confusion surrounding them—as an excuse to raise prices in excess of actual cost increases, and to prosecute individuals and companies that price gouge American consumers. Despite your public commitment to ensure the tariffs are not a “green light” for price hikes,<sup>1</sup> we are concerned about your termination of an investigation into unfair pricing practices that may enable corporate price gouging.

Due to the lack of strategy in designing the tariffs and chaotic implementation, the Trump Administration's indiscriminate tariff policy will increase costs for the average American household without any hope of delivering long-term American reindustrialization or manufacturing employment gains.

Price increases could be even larger or more prolonged due to corporate price gouging. Price gouging occurs when sellers expand their profit margins by raising prices more than necessary to cover increases in input costs. President Trump's on-again, off-again tariffs build an especially fertile environment for price-gouging. The new tariffs have created a cloud of uncertainty that gives companies cover to raise prices on *all* goods, regardless of whether they are subject to new tariffs or whether their costs have meaningfully increased, above and beyond what is necessary to cover any cost increases.

Price gougers may blame inflation and supply chain disruptions to justify these excessive price increases knowing that a lack of transparency will make it difficult to test their claims. Some large companies preemptively planned for price increases before any tariffs actually took effect. As the CEO of Autozone explained on an earnings call last September, “if we get tariffs...we generally raise prices ahead of [when] we know what the tariffs will be.”<sup>2</sup> According to the head of an analytics firm that advises corporations on maximizing prices, abnormally high price spikes

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<sup>1</sup> Andrew Ferguson (@AFergusonFTC), “President Trump is reorienting our nation's economy to put Americans first. As we adjust to the new economic order, the @FTC will be watching closely to make sure American companies are vigorously competing on prices. These necessary tariffs should not be interpreted as a green light for price fixing or any other unlawful behavior. We will always protect American consumers,” *X*, April 3, 2025, <https://x.com/AFergusonFTC/status/1907864397822787768>.

<sup>2</sup> Katya Schwenk and Luke Goldstein, “How Trump Is Helping Price Gougers Exploit His Tariffs,” *The Lever*, April 19, 2025, <https://www.levernews.com/how-trump-is-helping-price-gougers-exploit-his-tariffs/>.  
<https://seekingalpha.com/article/4723049-autozone-inc-azo-q4-2024-earnings-call-transcript>.

began in January—before specific tariff plans were announced—“and we’ve just seen higher and higher prices in that sample every week since.”<sup>3</sup>

While small businesses operating on thin profit margins will be forced to pass on many costs to stay afloat, the chaotic and sweeping nature of President Trump’s tariffs is especially conducive to price gouging by large companies with significant market power. On a pricing webinar for businesses entitled “How to Raise Your Prices in Response to Tariffs,” a presenter noted “you’re going to be surprised by how much room you have [to raise prices].”<sup>4</sup> Another consultant explained “there is perhaps more of a window to make changes to your pricing than there has been before. Customers expect change.”<sup>5</sup> Even if President Trump decides to reduce or eliminate tariffs, companies may nonetheless decide to maintain higher prices—or raise them even further, claiming “market uncertainty.”

Some companies may even raise prices on goods that are not subject to tariffs. As Federal Reserve Chair Powell explained, “a great example is washing machines were tariffed in the last round of tariffs, and prices went up, but prices also went up on dryers, which were not tariffed. So, the manufacturers just, you know, they just kind of followed the crowd and raised it.”<sup>6</sup> When asked if companies are raising their prices even if their goods are not actually subject to tariffs, oil executive Scott Sheffield said, “Yes, exactly ... it gives them room to move prices up.”<sup>7</sup> The FTC previously banned Sheffield from Exxon’s board of directors due to allegations that he attempted to collude with OPEC to reduce oil and gas output and ultimately raise gasoline prices for Americans and inflate profits for his oil company.<sup>8</sup>

You claimed publicly that you “will be watching closely to make sure American companies are vigorously competing on prices. These necessary tariffs should not be interpreted as a green light for price fixing or any other unlawful behavior.”<sup>9</sup> However, one of your first actions as Chairman of the FTC was to shut down a probe into the “surveillance pricing” market, what the FTC described as “the shadowy market that third-party intermediaries use to set individualized prices for products and services based on consumers’ characteristics and behaviors, like location, demographics, browsing patterns and shopping history.”<sup>10</sup>

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<sup>3</sup> Schwenk and Goldstein, “How Trump Is Helping Price Gougers Exploit His Tariffs.”

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> Federal Reserve Board, “Transcript of Chair Powell’s Press Conference,” March 19, 2025, p. 10, <https://www.federalreserve.gov/mediacenter/files/FOMCpresconf20250319.pdf>.

<sup>7</sup> Luke Goldstein (@lukewgoldstein), “Sometimes CNBC says the quiet part out loud. Texas oil exec Scott Sheffield is talking here about how Trump’s steel tariffs will make oil drilling more expensive. The host asks: “Do you think there are companies raising their prices without even having a higher price themselves just because they can? Sheffield: “yes, exactly...it gives them room to move prices up” Stay tuned for more on this....,” X, April 19, 2025, <https://x.com/lukewgoldstein/status/1913677205294702841>.

<sup>8</sup> Federal Trade Commission, “FTC Order Bans Former Pioneer CEO From Exxon Board Seat in Exxon-Pioneer Deal,” May 2, 2024, <https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal>.

<sup>9</sup> Andrew Ferguson (@AFergusonFTC), “President Trump.”

<sup>10</sup> Federal Trade Commission, “FTC Surveillance Pricing Study Indicates Wide Range of Personal Data Used to Set Individualized Consumer Prices,” January 17, 2025, <https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-surveillance-pricing-study-indicates-wide-range-personal-data-used-set-individualized-consumer>.

Armed with the knowledge that the FTC has turned a blind eye to this price-gouging tactic, companies now have free rein to use surveillance pricing to price gouge consumers. A former FTC official said, “The message that is coming out of this administration...is that the watchdog is gone and companies feel emboldened to rip people off.”<sup>11</sup>

We urge you to fulfill your public commitment and to ensure President Trump’s trade war is not a “green light” for price gouging. Specifically, we urge you to:

1. Use your authority under Section 6(b) of the Federal Trade Commission Act to require large companies to report their costs and retail and wholesale prices since November 6, 2024 and the extent to which tariffs have increased their costs.
2. Use your authority under Section 5 of the Federal Trade Commission Act to investigate and prosecute companies engaging in “unfair or deceptive acts or practices in or affecting commerce.”

We additionally request responses to the following questions by May 30, 2025:

1. Why did you close the docket for public comments on surveillance pricing practices on January 22, 2025 instead of maintaining the original deadline of April 17, 2025? Please provide any relevant documentation with respect to this decision.
2. Did any Federal Trade Commission personnel advise you on terminating the public comment period early? Please provide any relevant documentation.
3. Did any White House officials or personnel from agencies outside the Federal Trade Commission request that the public comment period be terminated? If so, who? Please provide any relevant documentation.
4. Did you meet with any of the businesses subject to the inquiry or trade associations representing them in advance of the public comment termination notice? If so, which ones? Did they request such a termination? Please provide any relevant documentation.
5. You initially voted to authorize the inquiry into surveillance pricing. Do you intend to initiate a new inquiry into the practice?
6. How will you ensure President Trump’s tariff policy does not result in corporations price gouging consumers?
7. What steps will the FTC take to enforce competition and consumer protection laws against individuals and corporations that attempt to price gouge consumers?
8. What steps will the FTC take to ensure that consumers who have paid excessive price increases due to tariff-related price gouging are made whole?

We look forward to your prompt response.

Sincerely,

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<sup>11</sup> Ibid.



Sheldon Whitehouse  
United States Senator



Ruben Gallego  
United States Senator



Elizabeth Warren  
United States Senator



Cory A. Booker  
United States Senator



Rosa L. DeLauro  
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United States Senator



Richard Blumenthal  
United States Senator



Kirsten Gillibrand  
United States Senator



Bernard Sanders  
United States Senator



Jacky Rosen  
U.S. Senator



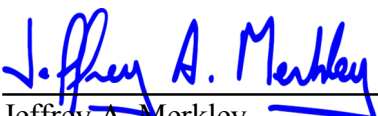
Tammy Duckworth  
United States Senator



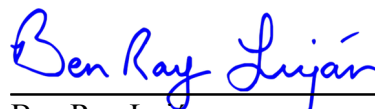
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Tina Smith  
United States Senator



Jeffrey A. Merkley  
United States Senator



Ben Ray Lujan  
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Eleanor Holmes Norton  
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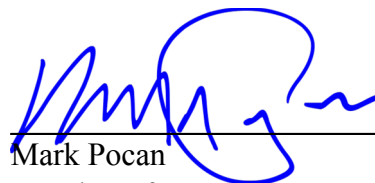
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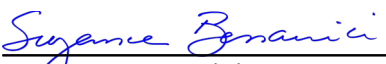
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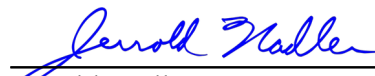
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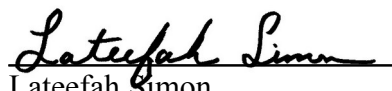
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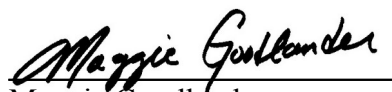
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