

**Committee on Energy and Commerce**  
**Opening Statement as Prepared for Delivery**  
**of**  
**Chairman Frank Pallone, Jr.**

***Hearing on “Pandemic Profiteers: Legislation to Stop Corporate Price Gouging”***

**February 2, 2022**

Today, this Committee continues its critical work of protecting consumers and ensuring that all Americans can prosper as our nation continues to recover from the serious economic shocks of the COVID-19 pandemic.

While there are still major challenges ahead, we are seeing incredible signs of economic recovery. Last year, overall gross domestic product grew 5.7 percent, the highest annual rate in nearly four decades. The economy added 6.4 million jobs, the largest annual increase in American history. That historic job creation reduced unemployment from 15 percent at the beginning of last year to just 3.9 percent today. Wages are also increasing. Thanks to our action last year with the American Rescue Plan and the Bipartisan Infrastructure Law, the United States leads the world in our economic pandemic recovery.

However, while our economy is recovering, American families are still struggling to make ends meet. They face rising prices for food and other household necessities. A lot of these price increases are a result of the ongoing pandemic – which virtually brought our global economy to a standstill, and the repercussions in the global supply chain are still with us today.

That’s why the House will take action later this week to pass the America COMPETES Act. This legislation will improve our nation’s supply chains, prevent shortages of critical goods, and ensure that more of these goods are made right here in the United States. It is another critical step in our efforts to provide relief to struggling families by addressing the ongoing supply chain issues and strengthening our economy for the future.

But there is more to these price spikes – some businesses are simply price gouging consumers. These outrageous actions have been constant throughout the pandemic, evolving with each phase and disproportionately harming the most vulnerable when they can least afford it.

Opportunistic price gouging initially focused on the sudden need for items like personal protective equipment and hand sanitizer. More recently, we’ve heard concerning reports of overpriced COVID test kits and facemasks. And now, pandemic profiteering has expanded to virtually all types of consumer goods.

February 2, 2022

Page 2

Corporate greed is motivating some large companies to use the pandemic and supply chain issues as an excuse to raise prices simply because they can. The pandemic has been a windfall for the largest companies and their investors. Last year, corporate profit margins across the board reached a 70-year high, but prices continue to increase rapidly.

Executives brazenly boast to investors about raising prices on consumers without consequences. As they see it, people must simply keep buying their products, and nothing is stopping them from padding their profits.

And these executives are saying they will continue to raise prices – causing Americans more pain at the grocery store, the drug store, and at the gas pump. Enough is enough – we must bring this outrageous price gouging to an end.

Legislation under discussion today will do just that. The COVID-19 Price Gouging Prevention Act is a straightforward solution to this immediate problem. This legislation, introduced by Chair Schakowsky and me, along with Representatives Cicilline and Nadler, would give the Federal Trade Commission the authority to seek civil penalties from those price gouging during the COVID-19 pandemic. State attorneys general would also be able to enforce the legislation without losing any of their existing authority under state law.

Today, there is no federal price gouging law, and while most states do have some form of price gouging authority, those laws are inconsistent and many fail to address the unique circumstances of the COVID-19 pandemic.

Congress must give the FTC and state authorities the enforcement tools they need to go after companies gouging consumers. Large companies must be deterred from raising prices that unfairly exploit a public health emergency. We must eliminate the circumstances that have allowed this bad corporate behavior to go on unchecked, and that's exactly what this legislation will do.

I look forward to the discussion today and hope we can find bipartisan agreement to act on this important legislation that puts consumers first.

Thank you.