

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL
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**Attorney General Racine Welcomes Federal Judge’s Decision
Blocking Merger between Sysco and U.S. Foods**

OAG Joined Other States in Opposing Merger Because of Potential Pressure on Food Costs

WASHINGTON, D.C. – Attorney General Karl A. Racine today welcomed news that, following U.S. District Judge Amit P. Mehta’s ruling blocking a proposed merger between the nation’s two largest distributors of broadline food services, the companies have decided to abandon the merger.

Earlier this year, Attorney General Racine joined attorneys general from 10 states (California, Illinois, Iowa, Maryland, Minnesota, Nebraska, Ohio, Pennsylvania, Tennessee and Virginia) in signing onto the Federal Trade Commission’s complaint against the proposed merger between Sysco and US Foods. For more information, see: <http://oag.dc.gov/release/district-columbia-joins-federal-trade-commission-and-10-states-opposing-merger-between-sysco>.

Judge Mehta said the proposed merger would likely be shown to violate federal antitrust law, reducing competition for major food-service distribution services both nationwide and in numerous local markets.

“This is good news for the District’s consumers, and we are glad that Judge Mehta supported blocking the merger,” Attorney General Racine said. **“Together, Sysco and US Foods control a significant majority share in the Washington-Baltimore market as well as the national food-service market, and a merger would have caused price increases and fewer food-service options for District residents.”**

In his order, Judge Mehta wrote: “[A] merger of the country’s two largest broadline foodservice distributors, Sysco and USF...is likely to cause unduly high market concentrations in two relevant markets — broadline foodservice distribution to national customers and...to local customers — and eliminate a key competitor in those markets, USF.”

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