

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OFFICE OF THE ATTORNEY GENERAL**  
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## **District of Columbia Joins Federal Trade Commission and 10 States in Opposing Merger between Sysco and U.S. Foods**

*Two Companies Currently Control 80 Percent of the Washington/Baltimore Market*

**WASHINGTON, D.C.** – Attorney General Karl A. Racine announced today that the District has joined the Federal Trade Commission (FTC) and 10 states in filing a complaint asserting that the proposed merger between Sysco and US Foods – the nation’s two largest broadline food-service distributors – would violate federal antitrust law. The two companies control 80 percent of the market in the Washington/Baltimore area.

The complaint – filed yesterday in the U.S. District Court for the District of Columbia – alleges the proposed merger would significantly reduce competition nationwide and in 32 local markets for major food-service distribution services. Specifically, the complaint argues, food-service customers (such as restaurants, hospitals, hotels and schools) would likely face higher prices and diminished services as a result of the merger.

**“To put it plainly, this merger would be bad for the District’s food-service customers – including schools and other non-profit organizations,”** Attorney General Racine said. **“Protecting the District’s consumers is one of my highest priorities. By harming competition and raising prices, this merger would ultimately harm our residents and businesses.”**

The federal court complaint seeks a temporary restraining order and a preliminary injunction to prevent the parties from completing the merger. It also seeks to maintain the companies’ status quo pending an FTC administrative proceeding on the merger.

Broadline food-service distributors offer a wide range of product lines and provide frequent and flexible delivery, high levels of customer service, and additional services such as menu planning and nutritional information. According to the filed complaint, a combined Sysco/US Foods would account for 75 percent of the national market for such services. The merged companies would also hold significant majority shares in a number of local markets – including the Washington/Baltimore market.

In addition to Attorney General Racine, attorneys general from California, Illinois, Iowa, Maryland, Minnesota, Nebraska, Ohio, Virginia, Pennsylvania and Tennessee have joined the FTC's complaint filed in federal district court.

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