



Senator Herb Kohl

United States Senator for Wisconsin



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According to a report in today's *Wall Street Journal*, Sony and Samsung - two of the world's largest television manufacturers - "have begun trying to force retailers to rein in discounts on televisions, threatening to cut off those who sell TVs for below the manufacturer's minimum prices." Sony and Samsung have implemented this new policy to reap higher profits - from the wallets of consumers. The same news story also cited other electronics companies that have "tough policies restricting the prices at which their products can be sold..."

Until a few years ago, that kind of vertical price fixing was against the law. Unfortunately, the Supreme Court narrowly overturned the century-old ban on retail price maintenance in 2007. Since then I've been working to restore it.

As the chairman of the Senate Antitrust, Competition Policy and Consumer Rights panel, I wrote legislation to overturn the Court's decision. Justice Breyer, in his dissenting opinion, estimated that if only 10% of manufacturers engage in vertical price fixing, the volume of commerce affected would be \$300 billion, costing the average family of four an additional \$750 to \$1,000 for retail goods every year.

My bill, the "Discount Pricing Consumer Protection Act," will allow retailers to sell goods below a threshold price set by manufacturers. I'm pleased that it was approved by the Senate Judiciary Committee last November, and I'll continue to work to bring it before the full Senate for debate. Until then, I'm hopeful that Sony and Samsung and other manufacturers who have policies against discounting find that consumers will look elsewhere for affordable products.

As a businessman, I appreciate that retailers welcome flexibility in their business with customers. As a Senator representing the people of Wisconsin, I know that discounting and discount stores play a vital role in family budgeting.

Sincerely,

A handwritten signature in black ink that reads "Herb Kohl".

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