

# Congress of the United States

Washington, DC 20515

January 28, 2026

Ramon Laguarta  
Chairman of the Board of Directors and CEO  
PepsiCo  
700 Anderson Hill Road  
Purchase, NY 10577

Dear Mr. Laguarta:

We write regarding a newly unsealed Federal Trade Commission (FTC) complaint that raises fresh questions about whether PepsiCo (Pepsi) is engaging in discriminatory pricing strategies in favor of large chain stores that force smaller, independent retailers – and American consumers that shop at these retailers – to pay higher prices. This newly disclosed information reveals new details about Pepsi’s troubling pricing practices, and also appears to indicate that Pepsi’s responses to our previous inquiry into this matter were evasive and inaccurate.

On May 11, 2025, several of us wrote to you asking about Pepsi’s alleged violations of the *Robinson-Patman Act* (RPA), a law that prohibits sellers from engaging in anticompetitive and discriminatory pricing practices.<sup>1</sup> At the time, the FTC and a group of retailers were suing Pepsi for violating the RPA, claiming Pepsi had charged independent retailers more than chain stores for the same products, and that Pepsi had extended benefits and advantages to major chain retailers that Pepsi refused to offer to the chain retailers’ smaller competitors.<sup>2</sup>

In your May 25 response to this inquiry, you refused to answer specific questions about Pepsi’s pricing strategies.<sup>3</sup> Instead, you broadly claimed that “PepsiCo does not control retail pricing,” and that “PepsiCo’s pricing architecture is designed to ensure that all retailers – regardless of size or channel – receive competitive, non-discriminatory pricing, discounts, and promotional support.”<sup>4</sup> However, the newly unsealed FTC complaint against Pepsi<sup>5</sup> appears to indicate that these claims were false and misleading. Internal Pepsi communications quoted in the complaint

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<sup>1</sup> Letter from Senator Warren, Senator Booker, Representative Nadler, et al. to Pepsi CEO Laguarta, May 11, 2025, [https://www.warren.senate.gov/imo/media/doc/letter\\_from\\_senators\\_warren\\_booker\\_repnadlertopepsirerobinsonpatmanact.pdf](https://www.warren.senate.gov/imo/media/doc/letter_from_senators_warren_booker_repnadlertopepsirerobinsonpatmanact.pdf); 15 U.S.C. 13.

<sup>2</sup> Reuters, “Convenience stores sue Pepsi and Frito-Lay, alleging price discrimination,” Mike Scarcella, February 18, 2025, <https://www.reuters.com/legal/government/convenience-stores-sue-pepsi-frito-lay-alleging-price-discrimination-2025-02-18>; CNN, “Pepsi hurt small businesses by giving big-box retailer financial advantages, the FTC claims,” Auzinea Bacon, January 17, 2025, <https://www.cnn.com/2025/01/17/business/pepsi-walmart-ftc-prices/index.html>.

<sup>3</sup> Letter from Pepsi to Senator Warren, Senator Booker, Representative Nadler, et al., May 25, 2025, [https://www.warren.senate.gov/imo/media/doc/response\\_to\\_letter\\_to\\_pepsi\\_re\\_robinson-patman\\_act.pdf](https://www.warren.senate.gov/imo/media/doc/response_to_letter_to_pepsi_re_robinson-patman_act.pdf).

<sup>4</sup> *Id.*, p. 2.

<sup>5</sup> Institute for Local Self-Reliance, “New Details Emerge in Accusation of Pepsi’s Predatory Business Practices Favoring Walmart,” Reggie Rucker and Stacy Mitchell, December 12, 2025, [https://ilsr.org/article/independent-business/new-details-of-pepsi-predatory-business-practices-favoring-walmart/?mc\\_cid=0d19339cb0&mc\\_eid=b3537f207b](https://ilsr.org/article/independent-business/new-details-of-pepsi-predatory-business-practices-favoring-walmart/?mc_cid=0d19339cb0&mc_eid=b3537f207b).

reveal that Pepsi provides Walmart with unique promotional payments and services for the purposes of advantaging Walmart and exerting control over retail prices in the resale of Pepsi soft drinks.

The FTC’s complaint illustrates how Pepsi influences retail prices by coordinating with Walmart to create a retail “price gap” between Walmart and its competitors, aimed at preventing Walmart’s competitors from undercutting it on price.<sup>6</sup> Indeed, Pepsi emails state that the company has a “foundational commitment” to the price gap, which makes it impossible for smaller retailers to compete with Walmart by offering lower prices, and that “stay[ing] focused on our price gap ... is how we win with Walmart.”<sup>7</sup> The complaint suggests that Pepsi enforces this price gap by providing Walmart with promotional payments and allowances that it does not provide to competitors. For example, Pepsi provides Walmart with retail price “Rollback[s]” to ensure that smaller retailers’ prices remain higher than Walmart’s.<sup>8</sup> Pepsi also continuously monitors Walmart’s prices as compared to “rest of market” or “ROM” to ensure that Walmart retains an “advantaged price gap.”<sup>9</sup>

According to the newly released complaint, Pepsi further enforces this price gap by eliminating promotional allowances for other retailers; in effect, raising their wholesale prices. An internal Pepsi email quoted in the FTC complaint described one example of such practices: “The cost increase, which is already in effect in rest of market, has not been passed on to Walmart.”<sup>10</sup> In another example, when Food Lion – which Pepsi emails described as the “worst offender” for “beating [Walmart] in price” – lowered its retail prices and threatened Walmart’s price gap, Pepsi reduced price allowances for Food Lion in an effort to “CLOSE the gap” with Walmart.<sup>11</sup> The documents indicate that by raising the wholesale costs for non-Walmart retailers, Pepsi prevents those retailers from competing fairly with Walmart and driving down prices for consumers. As the FTC put it, Pepsi’s favoritism toward Walmart has “the effect of *raising* prices for customers of competing retailers.”<sup>12</sup>

The FTC complaint revealed de-facto collusion between Walmart and Pepsi to keep competitors from cutting prices. It indicated that in return for Pepsi’s support in monitoring and enforcing the price gap, Walmart provided Pepsi favorable advertising and shelf placement within its stores.<sup>13</sup> As stated in one Pepsi email, the goal was “to drive an advantaged position for Walmart in exchange for an advantaged position on [Walmart’s modular retail displays] to position both Walmart and PepsiCo for growth.”<sup>14</sup> Another Pepsi email cited in the FTC complaint described Pepsi’s strategy in similar terms: “to keep Walmart advantaged through extremely advantaged costs / retails in order to drive growth on our mutual businesses.”<sup>15</sup>

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<sup>6</sup> Complaint for Permanent Injunction, *Federal Trade Commission v. PepsiCo*, No. 25-cv-664-JMF, ECF No. 68 (December 11, 2025) (“Complaint”), available at: <https://storage.courtlistener.com/recap/gov.uscourts.nysd.635565/gov.uscourts.nysd.635565.68.0.pdf>.

<sup>7</sup> *Id.*, p. 2.

<sup>8</sup> *Id.*, pp. 3 & 5.

<sup>9</sup> *Id.*, p. 12.

<sup>10</sup> *Id.*, p. 6.

<sup>11</sup> *Id.*, pp. 18-19.

<sup>12</sup> *Id.*, p. 6.

<sup>13</sup> *Id.*, pp. 3-4.

<sup>14</sup> *Id.*, pp. 4-5.

<sup>15</sup> *Id.*, p. 6.

The newly public complaint also raises questions about whether your May 25 response to our questions about this price discrimination was complete and truthful. You failed to answer any of the eight questions we asked in that letter.<sup>16</sup> And in that letter, you made several questionable claims. You indicated that “PepsiCo does not control retail pricing,”<sup>17</sup> a claim that is belied by the new documents that appear to indicate that Pepsi actively tried to maintain a price gap between Walmart and other competitors. You also claimed that “PepsiCo’s pricing architecture is designed to ensure that all retailers . . . receive competitive, non-discriminatory pricing, discounts, and promotional support.”<sup>18</sup> This statement is simply not consistent with the newly disclosed Pepsi documents and communications, cited in the FTC complaint, that suggest that Pepsi does indeed give Walmart preferential treatment and denies discounts and promotional support to competing retailers, which in turn hinders fair competition that could lower prices for consumers. Providing false or misleading information in response to a Congressional inquiry would represent a serious matter.

To address our concerns about Pepsi’s pricing strategies and the accuracy of your previous representations, we ask that you answer the following questions by February 11, 2026:

1. In response to questions in our previous letter about the prices that Pepsi charged different classes of retailers, you wrote, “wholesale costs vary over time and may differ across geographies.” Please answer the following questions, which account for price differences across time and geography:
  - a. In 2024, what was the average wholesale price that Pepsi charged Walmart in Massachusetts for a 12-pack of bottled Diet Pepsi?
  - b. In 2024, what was the average wholesale price that Pepsi charged Big Y in Massachusetts for a 12-pack of bottled Diet Pepsi?
2. Please explain how your statement in your May 25 letter that Pepsi provides all retailers with “non-discriminatory pricing, discounts, and promotional support” is consistent with Pepsi’s “foundational commitment” to maintain a “price gap” for Walmart.
3. Please explain how your statement in your May 25 letter that Pepsi “does not control retail pricing” is consistent with your efforts “to keep Walmart advantaged through extremely advantaged costs / retails” and maintain Walmart’s price gap.
4. Please explain how your statement in your May 25 letter that Pepsi provides all retailers with “non-discriminatory pricing, discounts, and promotional support” is consistent with Pepsi’s financial support for Walmart “Rollbacks” to “combat[] the price gap challenge.”
5. Please explain how your statement in your May 25 letter that Pepsi provides all retailers with “non-discriminatory pricing, discounts, and promotional support” is consistent with Pepsi’s stated goal to “keep Walmart advantaged through extremely advantaged costs.”

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<sup>16</sup> See Letter from Senator Warren, Senator Booker, Representative Nadler, et al. to Pepsi CEO Laguarda, May 11, 2025, p. 3, [https://www.warren.senate.gov/imo/media/doc/letter\\_from\\_senators\\_warren\\_booker\\_repnadlertopepsirerobinsonpatmanact.pdf](https://www.warren.senate.gov/imo/media/doc/letter_from_senators_warren_booker_repnadlertopepsirerobinsonpatmanact.pdf); Letter from Pepsi to Senator Warren, Senator Booker, Representative Nadler, et al., May 25, 2025, [https://www.warren.senate.gov/imo/media/doc/response\\_to\\_letter\\_to\\_pepsi\\_re\\_robinson-patman\\_act.pdf](https://www.warren.senate.gov/imo/media/doc/response_to_letter_to_pepsi_re_robinson-patman_act.pdf).

<sup>17</sup> Letter from Pepsi to Senator Warren, Senator Booker, Representative Nadler, et al., May 25, 2025, p. 2, [https://www.warren.senate.gov/imo/media/doc/response\\_to\\_letter\\_to\\_pepsi\\_re\\_robinson-patman\\_act.pdf](https://www.warren.senate.gov/imo/media/doc/response_to_letter_to_pepsi_re_robinson-patman_act.pdf).

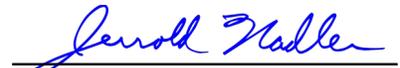
<sup>18</sup> *Id.*

6. How does Pepsi decide what promotional payments and allowances to offer Walmart, as compared to other retailers, for Pepsi products?
7. Does Pepsi offer other retailers the same advantages that it offers Walmart, including special prices, promotional payments, price negotiations, discounts, allowances, rebates, or advertising? If yes, please elaborate on the terms of these advantages, and list the retailers to which Pepsi confers these advantages.
8. Does Pepsi monitor and enforce a “price gap” for any other retailers besides Walmart?
9. Will Pepsi commit to extending to smaller retailers the same deals and promotional support that Pepsi offers Walmart?
10. Pepsi donated \$500,000 to Donald Trump’s inauguration,<sup>19</sup> which was five times more than Pepsi donated to Joe Biden’s inauguration.<sup>20</sup> Did any representatives of Pepsi, including lobbyists, discuss the FTC’s lawsuit against Pepsi with any representative of the Trump administration or Trump’s presidential transition team? If so, please provide the dates, participants, and summary of these discussions.

Sincerely,



Elizabeth Warren  
United States Senator



Jerrold Nadler  
Member of Congress



Pramila Jayapal  
Co-Chair  
Monopoly Busters Caucus



Chris Deluzio  
Co-Chair  
Monopoly Busters Caucus



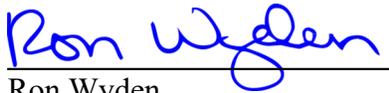
Angie Craig  
Co-Chair  
Monopoly Busters Caucus



Patrick Ryan  
Co-Chair  
Monopoly Busters Caucus

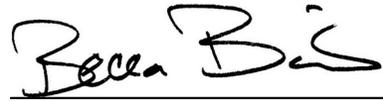
<sup>19</sup> Public Citizen, “Trump’s Inauguration Donor Pool Includes \$50 Million in Contributions from Corporations Under Investigation or Facing Federal Enforcement,” April 21, 2025, <https://www.citizen.org/news/trumps-corporate-inauguration-donor-pool-littered-with-federal-investigations-enforcement-lawsuits/>.

<sup>20</sup> Business Insider, “Joe Biden’s made-for-TV inauguration celebration was bankrolled by dozens of corporations who do business with government,” Dave Levinthal, April 20, 2021, <https://www.businessinsider.com/joe-biden-corporations-president-inauguration-washington-2021-4>.



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Ron Wyden  
United States Senator



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Becca Balint  
Member of Congress



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Summer L. Lee  
Member of Congress



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Rashida Tlaib  
Member of Congress



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Maxine Dexter  
Member of Congress