

Teamsters Warn of Antitrust Obstacles to Sysco, US Foods Merger

International Brotherhood of Teamsters

WASHINGTON (PRNewswire-USNewswire) — Today, the International Brotherhood of Teamsters warned industry analysts and investors about possible antitrust obstacles connected to the proposed merger of Sysco [NYSE: SYY] and US Foods [USF]. The merger is currently under antitrust review by the Federal Trade Commission (FTC).

The union hosted today's call to educate investors, analysts and members of the press about the potential imbalance the merger would create within the foodservice industry - an imbalance that could have widespread, negative effects on customers, providers and consumers and workers across the country.

"We believe the combination of the country's top two industry providers will lead to the creation of a nationwide dominance of the broadline foodservice markets by one company," said Steven Vairma, Teamster International Vice President and National Director of the Teamsters Union Warehouse Division. "Joining Sysco and US Foods under one roof will give them overnight nearly 70 percent of sales in many regional markets, where they will dwarf whatever competitors remain."

With 11,500 members at 70 Sysco and US Foods broadline facilities and many more members at key regional competitors, the Teamsters Union has a deep understanding of the foodservice industry and the potential effects on operations.

"It is clear that the FTC is taking the antitrust review of Sysco and US Foods very seriously," said Donald Baker, former head of the Antitrust Division of the U.S. Department of Justice. "Our examination of the unusual business conditions of the broadline foodservice industry, which Sysco and US Foods already dominate, raises a serious question whether Sysco could propose any package of divestitures - however large - that could convince the FTC that a reasonable level of competition could be sustained across the country if they allowed this merger to proceed in any form.

"We look forward to meeting again with FTC officials and state attorneys general staff in the coming weeks where we will share more of our in-depth analysis of the difficulties of creating a settlement based on effective divestitures and how a merged Sysco would be likely to behave if the FTC failed to take effective antitrust enforcement steps," Baker said. "Our best information comes from those markets where both companies' distribution centers are staffed almost entirely by Teamster union members."

Founded in 1903, the Teamsters Union represents 1.4 million hardworking men and women throughout the United States, Canada and Puerto Rico. Visit

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