

DEPARTMENT OF JUSTICE

Justice Building 1162 Court Street NE Salem, Oregon 97301-4096 Telephone: (503) 378-6002

May 12, 2022

Governor Kate Brown 900 Court Street NE, Suite 254 Salem, OR 97301

Re: Request for ORS 401.965 Declaration

Dear Governor Brown:

I am writing today to ask that you declare an "abnormal disruption of the market" in Oregon pursuant to ORS 401.965. I am sure you have seen the national news about a baby formula shortage. The shortage includes Oregon, where major chain stores are rationing purchases. It became dire following a national recall earlier this year involving a very popular brand of formula — after at least four babies (not in Oregon) were hospitalized with bacterial infections and at least two babies died. Now, the recall has been exacerbated by supply-chain issues and labor shortages.

Oregon law authorizes you to declare an abnormal disruption of the market in response to "any emergency that prevents ready availability of essential consumer goods or services."

This declaration will empower my office to take swift action against any price gouging that emerges and to follow up with enforcement under our consumer protection laws. In Oregon, retailers like Costco, CVS, Target, and Walgreens have placed limits on baby formula purchases to prevent hoarding, and my staff has seen ads online for prices far exceeding retail value in the past few days.

Many Oregon families rely substantially — and some exclusively — on baby formula for their child's nourishment in their first year of life. I believe the increased shortages of baby formula

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due to recalls, supply chain disruptions, and labor shortages constitutes an emergency disruption to the Oregon marketplace for this essential product.

Please let me know if you require additional information about this request.

Sincerely,

Elen &. Rosmblu

Ellen F. Rosenblum Oregon Attorney General