

AUGUST 13, 2010

CARRIE SNEDIKER



**FTC  
OFFICE OF THE SECRETARY  
600 PENNSYLVANIA AVENUE NW  
WASHINGTON, DC 20580**

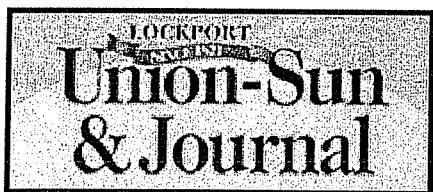
**TO WHOM IT MAY CONCERN:**

**THIS LETTER IS IN REFERENCE TO THE FTC WANTING  
TO CLOSE THE QUALITY MARKET OR TOPS LOCATED AT  
ROCHESTER ROAD IN LOCKPORT, NY. THIS STORE HAS  
BEEN HERE FOR ALMOST 50 YEARS AND IT IS VERY  
HANDY FOR PEOPLE LOCATED TO THE EAST, NORTH AND  
SOUTH OF IT. WE IN THE COMMUNITY DO NOT FEEL THAT  
TOPS WILL HAVE A MONOPOLY ON OUR GROCERY STORES.**

**PLEASE DO NOT LET THEM SHUT THIS STORE DOWN, IT IS  
A NECESSITY IN OUR COMMUNITY. PLEASE LET THE PEOPLE  
HAVE A SAY IN SOMETHING.**

**SINCERELY,**

**CARRIE SNEDIKER**



August 5, 2010

## FTC: Tops must sell Quality Markets

**DECISION: Feds say grocery store chain cannot keep Rochester Road location.**

**By Joe Olenick**

Lockport Union-Sun & Journal

LOCKPORT — Tops Markets will have to sell seven former Penn Traffic stores, including the Quality Markets on Rochester Road, the Federal Trade Commission announced Wednesday.

Besides Lockport, the Williamsville-based grocery store chain will have to sell stores in Bath, Cortland and two stores in Ithaca, and a pair of stores in Sayre, Penn. The FTC's concern is that those areas wouldn't have any competition if Tops kept the Penn Traffic stores. That would lead to higher prices for consumers, the FTC said.

Instead, the FTC said Tops has three months to find an approved buyer for the seven stores.

Tops spokeswoman Katie McKenna said the chain learned of the FTC decision Wednesday, after fully cooperating during the FTC's six-month investigation.

"The initial reaction of Tops Friendly Markets is one of disappointment, because of the company's desire to run a majority of the stores that were cited in the order," McKenna said. "The company understands that there is a 30-day public comment period before the decision is final."

That public comment period runs until Sept. 7, "after which the commission will decide whether to make it (the decision) final," according to the FTC.

Comments can be sent to the FTC, Office of the Secretary, 600 Pennsylvania Ave., N.W., Washington, DC, 20580. To submit a comment electronically, go to [ftcpublic.commentworks.com/ftc/penntraffic](http://ftcpublic.commentworks.com/ftc/penntraffic).

In November 2009, the Penn Traffic Co. filed for Chapter 11 bankruptcy. Then in January, Tops purchased all 79 Penn Traffic stores, which included all 11 Quality Markets in Western New York, as well as all Bi-Lo and P&C locations. After some review, Tops sold some of the stores and decided to keep 55 of the stores and rebrand them under their own name.

Problem was, the \$85 million purchase raised questions about competition in certain areas, the FTC said. There is a Tops Markets on South Transit Road, roughly 5 miles from Quality. There is also a Tops on Lockport-Olcott Road in Wrights Corners, a little over 4 miles from

Quality on Rochester Road.

"In each market, there are no more than three supermarkets within a 10- to 15-mile area," the FTC said. "Further, in many of these geographic areas, (FTC) staff found that new competitors were unlikely to enter the market quickly enough to prevent the acquisition's anticompetitive effects. And in those markets where entry might occur in the future, staff found that despite the new competition, the markets would still be highly concentrated and the transaction, therefore, anticompetitive."

The FTC also said an agreement was made with Tops to allow the transaction to close immediately, while allowing FTC staff to complete its review after the deal was completed. At the same time, Tops agreed to keep all the newly acquired Penn Traffic stores open and subsequently sell any stores that posed competitive concerns for the FTC. This was because a full FTC investigation before the deal was completed could have led the bankruptcy court to liquidate the Penn Traffic supermarket assets, the FTC said.

The Quality Markets on Rochester Road employs about 70 people.

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