

FINAL WORD ↔ BY IKE BRANNON

The FTC Takes on Big TV-Western Steakhouse

The following may be part of a forthcoming speech by Federal Trade Commission Chair Lina Khan.

The last two decades of anti-trust enforcement have allowed unprecedented market concentration in a wide variety of critical industries. As a result, American consumers are paying higher prices and having fewer choices than at almost any other time in the last half-century.

The Theory of Contestable Markets, which gave de facto permission to big businesses to gobble up competitors and reduce competition, has immiserated the middle class. The only ones to benefit have been those wealthy enough to profit from the stock increases that accrued to the businesses that were allowed to manipulate their own market.

Partisans on both sides have turned a blind eye to increasing market concentration. But President Biden has promised to stop it, and as head of the Federal Trade Commission, that is precisely what I intend to do.

So, today I am announcing that we are suing Fat Brands Inc., a conglomerate that owns nine restaurant chains in the United States. Among them are the Bonanza and Ponderosa Steakhouse chains, both named in tribute to the *Bonanza* TV Western that ran from 1959 to 1973. It is our intent to force Fat Brands to divest one of those two chains.

The Bonanza chain was created in 1963 by Dan Blocker, who played “Hoss” Cartwright on *Bonanza*. In 1975, the Ponderosa chain appeared, named for the Cartwrights’ ranch. Each gave families the opportunity to enjoy an affordable steak dinner while imagining that Ben, Hoss, or Little Joe

might join them at their table.

Both chains spread rapidly across the United States and Canada. Many times, they would operate in the same city, sometimes along the same stretch of highway. That keen competition helped keep prices affordable for those who yearned to eat out and pretend they were living in the untamed West with the Cartwright family.

However, the 1997 merger of Ponderosa and Bonanza and subsequent paring down of the number of their restaurants has resulted in many markets having just a single steakhouse restaurant based on a popular TV Western. This has—predictably—resulted in higher prices and lower quality, one of the worst examples of market power I’ve seen in my many years of studying antitrust. Working-class families desirous of living their childhood memories of the Cartwright family while having a steak dinner are paying the price—unfairly, we believe.

We aver that the company’s divestment of either Bonanza or Ponderosa will result in a better deal for the hard-earned dollars

of millions of American families who want to enjoy an affordable steak dinner served in a Western-themed decor that harkens back to a TV show that went off the air five decades ago.

Fat Brands may claim they face plenty of competition in the middle-class steakhouse market from the likes of Golden Corral and Western Sizzlin. But that is not the relevant market. We here at the FTC are not merely concerned about competition in middle-class dining, or middle-class steakhouses, or even middle-class steakhouses named for TV shows. We are concerned about the vital market of middle-class steakhouses named for a mid-20th century TV Western. Today’s consumers are not easily fooled: they don’t just want steak served amidst Western-themed décor, but steak served amidst Western-themed décor in a restaurant that is a tribute to the Cartwrights.

And this is just the beginning. The FTC is poised to do much more for American restaurant consumers. Today I am also announcing the subpoena of the Bubba Gump Shrimp Company to testify on why it remains the only restaurant chain based on a 1994 movie.

And we warn future restaurant chains that seek to own a monopoly on a particular TV show—whether it be *Ted Lasso*, *The White Lotus*, or *RuPaul’s Drag Race All-Stars*—that they will find themselves closely scrutinized for any anticompetitive behavior. R

