To: All Honorable Members of the Pennsylvania State Senate

Re: Please Co-Sponsor Legislation Amending PA’s Price Gouging Act

Date: January 3, 2019

From:
American Car Rental Association
Associated Petroleum Industries of PA
National Federation of Independent Business
Pennsylvania Builders Association
Pennsylvania Chamber of Business and Industry
Pennsylvania Food Merchants Association
Pennsylvania Manufacturers Association
Pennsylvania Restaurant and Lodging Association
Pennsylvania Retailers Association

As members of a broad coalition of Pennsylvania businesses and industries, we ask you to co-sponsor legislation sponsored by Senator Richard Alloway, which would amend the PA Price Gouging Act by reducing the duration of price restrictions imposed when a state of disaster emergency is declared by the governor.

The Price Gouging Act, as currently written, leaves businesses, manufacturers and retailers potentially vulnerable to enforcement action from the state’s Office of Attorney General for price increases on consumer goods that may occur during disaster emergencies and for thirty days after a disaster declaration is terminated. This is an excessively long period as compared to other state laws and has resulted in situations where pricing restrictions from late winter snowstorms remained in place through the Fourth of July.

Governor Wolf’s January 2018 disaster declaration to combat the heroin and opioid epidemic has triggered the Price Gouging Act. With the continued renewal of the disaster declaration, all consumer goods and services are subject to pricing restrictions for the foreseeable future, impacting every manufacturer, distributor and retailer across the state.

These situations emphasize the need to reshape the law so that its impact is more focused and more effective. This legislation limits the duration of pricing restrictions to 15 days, with extensions up to 60 days, and limits their scope to those goods and services necessary for use or consumption. The legislation also provides guidance and clarity for the consumer on what constitutes an “unconscionably excessive” price with a lower threshold of 10% or less above specified benchmarks, or market and contract prices. This is more stringent than the threshold currently imposed by the law.

We recognize the vital importance of ensuring consumer protections, especially in times of emergencies. We also recognize the need for predictability and consistency in our economy and business operations. Therefore, we respectfully ask you to co-sponsor this legislation.
Thank you for your consideration.