

To: The Honorable Members of the PA State Senate

Re: Support SB 1172 -- Amending PA's Price Gouging Act

Date: June 18, 2018

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 urge you to support Senator Vulakovich's Senate Bill 1172, scheduled to be considered on third consideration by the Senate today.

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 disaster declaration to combat the heroin and opioid epidemic has triggered the Price Gouging Act. With the recent 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. Accordingly, SB 1172 requires a separate declaration to trigger pricing restrictions so that they apply only when needed. This legislation also 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. Finally, SB 1172 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 vote yes on SB 1172 and strengthen the Price Gouging Act for consumers and business alike.

Thank you.