

110TH CONGRESS  
2D SESSION

# H. R. 6346

To protect consumers from price-gouging of gasoline and other fuels, and  
for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 23, 2008

Mr. STUPAK introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Education and Labor, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To protect consumers from price-gouging of gasoline and  
other fuels, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Price Gouging  
5 Prevention Act”.

6 **SEC. 2. UNCONSCIONABLE PRICING OF GASOLINE AND**

7 **OTHER PETROLEUM DISTILLATES DURING**  
8 **EMERGENCIES.**

9 (a) UNCONSCIONABLE PRICING.—

1           (1) IN GENERAL.—It shall be unlawful for any  
2 person to sell, at wholesale or at retail in an area  
3 and during a period of an energy emergency, gaso-  
4 line or any other petroleum distillate covered by a  
5 proclamation issued under paragraph (2) at a price  
6 that—

7                   (A) is unconscionably excessive; and

8                   (B) indicates the seller is taking unfair ad-  
9 vantage of the circumstances related to an en-  
10 ergy emergency to increase prices unreasonably.

11           (2) ENERGY EMERGENCY PROCLAMATION.—

12                   (A) IN GENERAL.—The President may  
13 issue an energy emergency proclamation for any  
14 area within the jurisdiction of the United  
15 States, during which the prohibition in para-  
16 graph (1) shall apply. The proclamation shall  
17 state the geographic area covered, the gasoline  
18 or other petroleum distillate covered, and the  
19 time period that such proclamation shall be in  
20 effect.

21                   (B) DURATION.—The proclamation—

22                           (i) may not apply for a period of more  
23 than 30 consecutive days, but may be re-  
24 newed for such consecutive periods, each

1 not to exceed 30 days, as the President de-  
2 termines appropriate; and

3 (ii) may include a period of time not  
4 to exceed 1 week preceding a reasonably  
5 foreseeable emergency.

6 (3) FACTORS CONSIDERED.—In determining  
7 whether a person has violated paragraph (1), there  
8 shall be taken into account, among other factors—

9 (A) whether the amount charged by such  
10 person for the applicable gasoline or other pe-  
11 troleum distillate at a particular location in an  
12 area covered by a proclamation issued under  
13 paragraph (2) during the period such proclama-  
14 tion is in effect—

15 (i) grossly exceeds the average price  
16 at which the applicable gasoline or other  
17 petroleum distillate was offered for sale by  
18 that person during the 30 days prior to  
19 such proclamation;

20 (ii) grossly exceeds the price at which  
21 the same or similar gasoline or other pe-  
22 troleum distillate was readily obtainable in  
23 the same area from other competing sellers  
24 during the same period;

1 (iii) reasonably reflected additional  
2 costs, not within the control of that person,  
3 that were paid, incurred, or reasonably an-  
4 ticipated by that person, or reflected addi-  
5 tional risks taken by that person to  
6 produce, distribute, obtain, or sell such  
7 product under the circumstances; and

8 (iv) was substantially attributable to  
9 local, regional, national, or international  
10 market conditions; and

11 (B) whether the quantity of gasoline or  
12 other petroleum distillate the person produced,  
13 distributed, or sold in an area covered by a  
14 proclamation issued under paragraph (2) dur-  
15 ing a 30-day period following the issuance of  
16 such proclamation increased over the quantity  
17 that that person produced, distributed, or sold  
18 during the 30 days prior to such proclamation,  
19 taking into account usual seasonal demand vari-  
20 ations.

21 (b) DEFINITIONS.—As used in this section—

22 (1) the term “wholesale”, with respect to sales  
23 of gasoline or other petroleum distillates, means ei-  
24 ther truckload or smaller sales of gasoline or petro-  
25 leum distillates where title transfers at a product

1 terminal or a refinery, and dealer tank wagon sales  
2 of gasoline or petroleum distillates priced on a deliv-  
3 ered basis to retail outlets; and

4 (2) the term “retail”, with respect to sales of  
5 gasoline or other petroleum distillates, includes all  
6 sales to end users such as motorists as well as all  
7 direct sales to other end users such as agriculture,  
8 industry, residential, and commercial consumers.

9 (c) CONSTRUCTION.—As described in this section, a  
10 sale of gasoline or other petroleum distillate does not in-  
11 clude a transaction on a futures market.

12 **SEC. 3. ENFORCEMENT BY THE FEDERAL TRADE COMMIS-**  
13 **SION.**

14 (a) ENFORCEMENT BY FTC.—A violation of section  
15 2 shall be treated as a violation of a rule defining an un-  
16 fair or deceptive act or practice prescribed under section  
17 18(a)(1)(B) of the Federal Trade Commission Act (15  
18 U.S.C. 57a(a)(1)(B)). The Federal Trade Commission  
19 shall enforce this Act in the same manner, by the same  
20 means, and with the same jurisdiction as though all appli-  
21 cable terms and provisions of the Federal Trade Commis-  
22 sion Act were incorporated into and made a part of this  
23 Act. In enforcing section 2(a) of this Act, the Commission  
24 shall give priority to enforcement actions concerning com-  
25 panies with total United States wholesale or retail sales

1 of gasoline and other petroleum distillates in excess of  
2 \$500,000,000 per year.

3 (b) CIVIL PENALTIES.—

4 (1) IN GENERAL.—Notwithstanding the pen-  
5 alties set forth under the Federal Trade Commission  
6 Act, any person who violates this Act with actual  
7 knowledge or knowledge fairly implied on the basis  
8 of objective circumstances shall be subject to the fol-  
9 lowing penalties:

10 (A) PRICE GOUGING; UNJUST PROFITS.—

11 Any person who violates section 2(a) shall be  
12 subject to—

13 (i) a fine of not more than 3 times the  
14 amount of profits gained by such person  
15 through such violation; or

16 (ii) a fine of not more than  
17 \$3,000,000.

18 (B) FALSE INFORMATION.—Any person  
19 who violates section 2(b) shall be subject to a  
20 civil penalty of not more than \$1,000,000.

21 (2) METHOD.—The penalties provided by para-  
22 graph (1) shall be obtained in the same manner as  
23 civil penalties obtained under section 5 of the Fed-  
24 eral Trade Commission Act (15 U.S.C. 45).

1           (3) MULTIPLE OFFENSES; MITIGATING FAC-  
2           TORS.—In assessing the penalty provided by sub-  
3           section (a)—

4                   (A) each day of a continuing violation shall  
5           be considered a separate violation; and

6                   (B) the court shall take into consideration,  
7           among other factors, the seriousness of the vio-  
8           lation and the efforts of the person committing  
9           the violation to remedy the harm caused by the  
10          violation in a timely manner.

11 **SEC. 4. CRIMINAL PENALTIES.**

12          (a) IN GENERAL.—In addition to any penalty appli-  
13          cable under section 3, any person who violates section 2  
14          shall be fined under title 18, United States Code—

15                  (1) if a corporation, not to exceed  
16          \$150,000,000; and

17                  (2) if an individual not to exceed \$2,000,000,  
18          or imprisoned for not more than 10 years, or both.

19          (b) ENFORCEMENT.—The criminal penalty provided  
20          by subsection (a) may be imposed only pursuant to a  
21          criminal action brought by the Attorney General or other  
22          officer of the Department of Justice.

1 **SEC. 5. ENFORCEMENT AT RETAIL LEVEL BY STATE ATTOR-**  
2 **NEYS GENERAL.**

3 (a) **IN GENERAL.**—A State, as *parens patriae*, may  
4 bring a civil action on behalf of its residents in an appro-  
5 priate district court of the United States to enforce the  
6 provisions of section 2(a) of this Act, or to impose the  
7 civil penalties authorized by section 3(b)(1)(B), whenever  
8 the attorney general of the State has reason to believe that  
9 the interests of the residents of the State have been or  
10 are being threatened or adversely affected by a violation  
11 of this Act or a regulation under this Act, involving a re-  
12 tail sale.

13 (b) **NOTICE.**—The State shall serve written notice to  
14 the Federal Trade Commission of any civil action under  
15 subsection (a) prior to initiating such civil action. The no-  
16 tice shall include a copy of the complaint to be filed to  
17 initiate such civil action, except that if it is not feasible  
18 for the State to provide such prior notice, the State shall  
19 provide such notice immediately upon instituting such civil  
20 action.

21 (c) **AUTHORITY TO INTERVENE.**—Upon receiving the  
22 notice required by subsection (b), the Federal Trade Com-  
23 mission may intervene in such civil action and upon inter-  
24 vening—

25 (1) be heard on all matters arising in such civil  
26 action; and

1           (2) file petitions for appeal of a decision in such  
2       civil action.

3       (d) CONSTRUCTION.—For purposes of bringing any  
4       civil action under subsection (a), nothing in this section  
5       shall prevent the attorney general of a State from exer-  
6       cising the powers conferred on the attorney general by the  
7       laws of such State to conduct investigations or to admin-  
8       ister oaths or affirmations or to compel the attendance  
9       of witnesses or the production of documentary and other  
10      evidence.

11      (e) VENUE; SERVICE OF PROCESS.—In a civil action  
12      brought under subsection (a)—

13           (1) the venue shall be a judicial district in  
14      which—

15                   (A) the defendant operates;

16                   (B) the defendant was authorized to do  
17      business; or

18                   (C) the defendant in the civil action is  
19      found;

20           (2) process may be served without regard to the  
21      territorial limits of the district or of the State in  
22      which the civil action is instituted; and

23           (3) a person who participated with the defend-  
24      ant in an alleged violation that is being litigated in

1 the civil action may be joined in the civil action with-  
2 out regard to the residence of the person.

3 (f) LIMITATION ON STATE ACTION WHILE FEDERAL  
4 ACTION IS PENDING.—If the Federal Trade Commission  
5 has instituted a civil action or an administrative action  
6 for violation of this Act, no State attorney general, or offi-  
7 cial or agency of a State, may bring an action under this  
8 subsection during the pendency of that action against any  
9 defendant named in the complaint of the Federal Trade  
10 Commission or the other agency for any violation of this  
11 Act alleged in the complaint.

12 (g) ENFORCEMENT OF STATE LAW.—Nothing con-  
13 tained in this section shall prohibit an authorized State  
14 official from proceeding in State court to enforce a civil  
15 or criminal statute of such State.

16 **SEC. 6. LOW INCOME ENERGY ASSISTANCE.**

17 Amounts collected in fines and penalties under sec-  
18 tion 3 of this Act shall be deposited in a separate fund  
19 in the treasury to be known as the Consumer Relief Trust  
20 Fund. To the extent provided for in advance in appropria-  
21 tions Acts, the fund shall be used to provide assistance  
22 under the Low Income Home Energy Assistance Program  
23 administered by the Secretary of Health and Human Serv-  
24 ices.

1 **SEC. 7. EFFECT ON OTHER LAWS.**

2 (a) OTHER AUTHORITY OF FEDERAL TRADE COM-  
3 MISSION.—Nothing in this Act shall be construed to limit  
4 or affect in any way the Federal Trade Commission’s au-  
5 thority to bring enforcement actions or take any other  
6 measure under the Federal Trade Commission Act (15  
7 U.S.C. 41 et seq.) or any other provision of law.

8 (b) STATE LAW.—Nothing in this Act preempts any  
9 State law.

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