

EBLAST

PRICE GOUGING PROHIBITED DURING AND AFTER STATE OF EMERGENCY

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Pennsylvania has had a Price Gouging Law in effect since 2006. It triggers with the Governor's declaration of a state of emergency and remains in effect for thirty days after the emergency ends. This is the same declaration that gives you "Hours of Service" relief. The law is complicated and prohibits "unconscionably excessive" pricing. Any price increase 20% or more above the pre-emergency prices may trigger that law. Defenses available to the law based on federal or state controlled tariffs or rates on regulated pipelines, railroad transport, shipping, replacement costs, credit card costs or taxes, and certain supply chain increases.

BOTTOM LINE: In order to avoid investigations under the Gouging Law:

- Be prepared to explain price increases within your distribution chain to customers, and
- Keep accurate records so that you can completely justify and all price increases in this period of time. This includes any identifiable increases at each and every step within the distribution and transportation chain, and amounts that are controlled by state and/or federal tariffs or rates, and
- Don't quote or use higher prices than you can justify to discourage customers, especially occasional customers, from asking for a delivery. Pricing that sounds outrageous to customers may be enough to trigger an investigation under this Gouging Law,
- Be careful implementing special charges during any protected period, which were not used or charged prior to the protected period.

For more detail about the law, contact Kathy at ksm@skarlatoszonarich.com.