MICHIGAN PETROLEUM ASSOCIATION
MPAMACS
MICHIGAN ASSOCIATION of CONVENIENCE STORES

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December 2, 2024

I am writing to you today to express the Michigan Petroleum Association/Michigan Association of Convenience Stores (MPA/MACS) concerns about HB 5897.

Our primary concerns with the bill as it was introduced include the following:

- Why doesn't the bill include diesel fuel Section 2(a)?
- How many cents per gallon is an "excessively increased price" in Section 2(b)?
- How many days is "reasonably after" as used in Section 2(b) and Section 3?
- The bill uses the term "market disruption" in Section 2(c) as the trigger for various fines, penalties, which is at best vague. An energy emergency declared by the Governor of Michigan would be a better trigger.
- Section 3 says "A person conducting business in any chain of distribution for energy products or services shall not...." Who does this include? Every employee at any company in the energy sector? How far up or down the chain of distribution chain does that go? Does this include oil well producers and their employees in other countries? What about terminal operators, pipelines, wholesalers, commodity traders, shipping companies, etc.?
- How many cents per gallon is a price "grossly in excess of the price" as referred to in Section 3(a)?
- It appears the act applicable to the first portion of a cent of excessive pricing. Should there be a de-minimis threshold to exclude minor amounts?
- How many cents per gallon is an "excessively increased price" in Section 3(b) and (c)?
- What is the definition of "reasonable cause" in Section 4(1)?
- In section 4(4), the bill states that the mere fact of an investigation has been started would not be confidential. If during the investigation the person is found, where do they go to get their reputation and loss of business back? Will the AG be liable for compensation?
- Under what other circumstances is the Attorney General given such broad, sweeping, and excessive powers of to function as described in Section 5?
- Why is the person still guilty under Section 5(5) if it can be proven that a bona fide error occurred?
- If the purpose of this bill is to gain immediate relief, why is the Attorney General given 6 years to bring action in Section 5(6)?
- Under Section 6(1), what constitutes a single violation? Each gallon sold, each sale, each day?
- In section 6(2), the bill discusses triple damages if the violation is "flagrant" without defining what flagrant is. Why is this definition missing?
- What is meant in Section 8 that says the remedies provided are cumulative?
- What is the purpose of Section 9?
- Why would the people of Michigan want a price control bill that interferes with the principal of a free market?

- The bill does not consider that a retailer could be selling their product below cost before a declared emergency, sorry, "market disruption".
- Why does the bill not address predatory pricing?
- Motor fuel prices vary every day, both up and down. This may or may not be reflect in the actual cost of the comingled fuel in storage.

Thank you for your consideration. I would be happy to collaborate with you to improve this legislation and develop good public policy that will benefit all the parties involved.

Cordially,