

CAPITOL HILL UPDATE REP. JIM GERLACH (PA-06)

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www.gerlach.house.gov

Gerlach Introduces Anti-Price Gouging Legislation

Washington -- Following the widespread devastation caused by Hurricane Katrina, reports of some businesses drastically and unjustifiably raising the price on key consumables, such as gasoline, led Congressman Jim Gerlach to see what if any options existed to protect the public.

After learning that many states, including Pennsylvania, do not have anti-price gouging laws in place, Rep. Gerlach recently announced the introduction of *H.R. 3705, the Protection Against Gouging Activities Act*. This legislation would create a federal law that would protect consumers from

disreputable businesses who unjustifiably raise prices during emergency situation solely to profit.

“It’s a shame that even when the generosity and good nature of so many people are on display during an emergency, a few unscrupulous businesses

may decide to take advantage of the situation for their own benefit,” Rep. Gerlach said, adding, “and rarely, if ever, are these entities punished for their reprehensible actions. Any business that chooses to fleece consumers during an emergency by drastically raising prices based solely on a desire to profit from the calamity should face harsh penalties. That’s what I’m hoping to accomplish with this legislation.”

With numerous state attorneys general beginning to collect information and investigate thousands of complaints of

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Berks County Veterans Visit With Congressman Gerlach in Washington



Head Start Reform Clears House

Washington -- On Thursday, Rep. Jim Gerlach issued the following statement after the House passed *H.R. 2123, the School Readiness Act of 2005*:

“A quality and equal education for all of our children is imperative if America is to remain competitive with the growing nations of the world,” Rep. Gerlach said. “The Head Start program is crucial for us to close the achievement gap in our elementary schools but much work needs to be done.



“The plan passed by the House today contains a number of measures that will increase Head Start’s efficiency

and help to ensure that children of all economic backgrounds enter school with the best preparation possible. By allowing for more competition for grants, improved disclosure and transparency, and a greater role for states, this legislation will streamline the Head Start program so that all of America’s kids can excel and show confidence in the classroom.”

Highlights of the School Readiness Act of 2005 include:

- **More competition.** Local Head Start operators identified as having one deficiency or more during the five-year lives of their federal grants will be required to compete against other potential grantees when their grants come up for renewal. Under current

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laws and regulations, such recompetition is too limited, the independent GAO has found. The U.S. Secretary of Health & Human Services, who oversees the Head Start program, will retain the right to terminate a Head Start grant at any time during the five-year grant cycle. Grantees that meet all requirements will be designated as “priority” grantees.

- **Greater role for states.** In order to qualify to receive a federal Head Start grant, organizations will be required to have objectives in place for improving school readiness that are aligned with state-developed K-12 academic content standards. In order to be considered “priority” grantees, organizations entrusted with federal Head Start funds will be required to utilize curricula that are aligned with state-developed K-

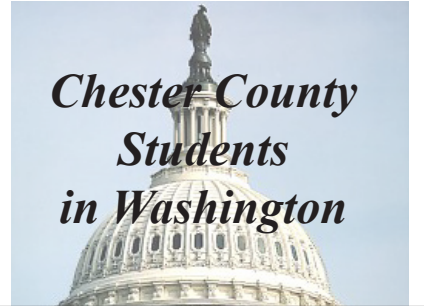
12 academic content standards and based in proven scientific research. Grantees that fail to meet this standard will be required to compete with other potential grantees and will face the possibility of losing their federal grants.



- **Greater role for local school districts.** In order to be considered “priority” grantees, organizations entrusted with federal Head Start funds will be required to demonstrate active partnerships with local educational agencies (local school districts) serving the same communities to facilitate smooth transitions to kindergarten for their students. Grantees

that fail to meet this standard will be required to compete with other potential grantees and will face the possibility of losing their federal grants.

- **Better safeguards against financial abuse.** Head Start operators will be required to meet a range of financial disclosure requirements as a condition of receiving and keeping their federal Head Start grants. Grantees will have to be overseen by a local governance board that provides direction and actively oversees all program activities, and will be required to document that they have strong fiscal controls in place, including the employment of a well-qualified chief financial officer with a history of successful management of a public or private organization. Grantees will also have to maintain administrative costs that do not exceed 15 percent of total program costs.



Washington -- Congressman Gerlach welcomed Bethany Warren from Downingtown West High School and Justin Walker from Coatesville High School. The students were in Washington on Sept. 21 to tour the Capitol as part of the Captain’s Leadership Program.

Visit Rep. Gerlach’s Web site at www.gerlach.house.gov to sign up for weekly email updates.

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price-gouging behavior nationwide, the introduction of this legislation is timely and needed for prosecution of any gouging activity that is occurring across state lines.

Congressman Gerlach’s legislation would be based on Florida statute that covers the rental or sale of essential commodities – items like water, food, and gasoline, for instance – during a declared state of emergency. Rep. Gerlach’s legislation would prohibit the sale or rental of these and other essential commodities at unconscionable prices during an emergency.

Under Congressman Gerlach’s legislation, when a national emergency is declared by the President, it shall be a criminal offense if:

1) The amount charged represents a gross disparity between the price of the commodity or rental or



lease of any dwelling unit or self-storage facility that is the subject of the offer or transaction and the average price at which that commodity or dwelling unit or self-storage facility was rented, leased, sold, or offered for rent or sale in the usual course of business during the 30 days immediately prior to a declaration of a state of emergency, and the increase in the amount charged is not attributable to additional costs incurred in connection with the rental or sale of the commodity or rental or lease of any

dwelling unit or self-storage facility, or national or international market trends; or

2) The amount charged grossly exceeds the average price at which the same or similar commodity was readily obtainable in the trade area during the 30 days immediately prior to a declaration of a state of emergency, and the increase in the amount charged is not attributable to additional costs incurred in connection with the rental or sale of the commodity or rental or lease of any dwelling unit or self-storage facility, or national or international market trends.

“It’s difficult enough to cope with a crisis situation, consumers shouldn’t have to deal with business owners who are motivated not by a desire to help, but only by a desire to profit,” Rep. Gerlach said.