CONGRESSMAN
JOHN BARROW
Working for the people of Georgia's 12th District

PHONE: 202-225-2823
FAX: 202-225-3377
226 CANNON HOB
WASHINGTON, DC 20515

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House Votes on Barrow's Proposal for Tough New Standards to Crack Down on Gas Price Gouging

Georgia Congressman cosponsors legislation that would give federal and state government the full authority to investigate fuel price inflation and energy market manipulation

Washington, DC – As Congress considers ways to address the country's growing energy concerns, 12th District Congressman John Barrow (D-GA) today introduced legislation that would enhance state and federal authority to pinpoint and prosecute energy price gouging.

"The only things rising faster than the price of gas are the record profits that the major oil companies have been raking in," Barrow said. "These companies are making a killing, and it's the American consumer that's getting killed. We owe it to working families across the country to fully investigate whether or not these energy companies are cheating the public."

In the aftermath of Hurricane Katrina, gas prices in Georgia quickly skyrocketed. Erratic and inconsistent fluctuations in the cost of fuel were being reported around the state. In response, Congressman Barrow was one of the very first members of Congress to call on the Federal Trade Commission (FTC) to launch a full investigation into alleged instances of price gouging at the pump.

The FTC responded by claiming that they don't have the authority to investigate gas gouging, they don't need it, and they don't want it.

"It's ridiculous to think that the FTC shouldn't have the power to protect American consumers – that's supposed to be their job" Barrow said. "That's why I've introduced a bill to do away with this deliberate foot dragging and give the FTC the full and explicit authority to protect consumers from price gouging and market manipulation."

Barrow's bill, the *Federal Response to Energy Emergencies* or *FREE Act*, would:

- Make it illegal for the any person or organization to sell crude oil, gasoline, natural gas, or petroleum distillates at an "unconscionably excessive" price during any energy emergency declared by the President.

- Create defined standards and prices that the FTC would be required to use in determining what constitutes fuel cost manipulation.

- Give states the authority to bring civil actions on behalf of their citizens, if the FTC fails to do so.

- Impose stiff penalties for price gougers, equal to three times the amount of the unjust profits or up to $3 million in fines.

- Use collected fines to help finance the Low Income Home Energy Assistance Program.

Barrow's bill was the alternative to H.R. 3893, a much weaker, oil industry backed energy bill that was also debated and voted on today in Congress. That bill, which Barrow voted against, passed the House by a razor thin margin of 212-210.

In addition to providing tax giveaways to already profitable oil companies, H.R. 3893 limits the FTC's ability to investigate fuel price gouging, restricting it to times of natural disasters. In contrast, Barrow's bill would give the President the ability to order the FTC to investigate price gouging at any time and any place. Also, H.R. 3893 would not allow the FTC to investigate price gouging with respect to natural gas – currently one of the country's most in-demand, volatile, and artificially inflated fuel costs.

"It's unbelievable that this bill does not address natural gas," Barrow said. "Congress can do better than turns our backs on those of us who rely on natural gas to heat their home, and farmers who rely on natural gas as the main building block of the fertilizer that feeds their crops."

The bill does not give state attorney generals the authority to go after any person or corporation in their state guilty of price gouging. Before casting his vote against HR. 3893, Barrow spoke out about its shortcomings in a speech delivered on the floor of the U.S. House of Representative.

"When it comes to fighting price gouging, federal policy ought to be 'lead, follow, or get out of the way'," Barrow said. "If the federal government will take the lead, the states will be happy to follow along. But if the federal government won't lead, it ought to get out of the way of the states. This bill actually gets in the way of the state's standing up for the consumers when the feds won't. That's wrong."

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Contact: Harper Lawson, (202) 225-2823