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Florida's Motor Fuel Marketing Practices Act costs drivers millions of dollars

This year's Legislative session offers Florida lawmakers the opportunity to stand up for consumers by repealing the antiquated, anti-consumer Sales Below Cost law. This law, known as the Florida Motor Fuel Marketing Practices Act, was enacted in 1985 in response to concerns over predatory pricing in the retail gasoline market. However, research over the past 20 years shows that this law has cost consumers billions of dollars in artificially raised gasoline prices and has done nothing to protect gas stations from predatory pricing.

The Petroleum Marketers claim that the repeal of this law would put smaller gas stations out of business. That is not the case. In fact, in the 38 other states without this law in place, small gas stations still operate and compete among the largest of gasoline retailers. Even the Federal Trade Commission has repeatedly stated that this law is detrimental to consumers and completely unnecessary as federal laws already exist to prevent predatory pricing.

This law protects profits, not consumers, and is strictly a wealth transfer from Florida's hard-working families and businesses to gasoline retailers who fear the pressures of a free market. Noted economists confirm that in states which do not have this type of law in place, gasoline retailer margins are 18 to 21 percent lower, and gas sells for 2 to 3 cents cheaper per gallon as a result of increased competition. Therefore, researchers argue that repealing this law will result in a collective savings of hundreds of millions of dollars per year for Floridians.

At a time when gas prices have reached record levels, Florida consumers need relief now more than ever. Senior citizens living on fixed incomes cannot afford to eat, let alone drive a car. College students already struggle enough with minimum wage jobs and student loans without worrying about the cost of gas. Families find it nearly impossible to meet the needs of their children and continue to pay outrageous prices to fill up their vehicles. And small businesses endure increased transportation and material costs and must pass that additional expense on to customers to keep from going under.

I urge all Floridians to stand in support of legislation that seeks to repeal Florida's outdated Sales Below Cost law and encourage legislators to do the same by voting yes on House Bill 909 and Senate Bill 2072 before the Legislature this month. It only takes common sense to recognize that repealing this law would be a demonstration of good public policy.

To learn more about this issue and The Florida Coalition for Lower Gas Prices, visit www.lowermygasprices.org.

Ernie Bach is a member of the Florida Action Coalition Team and the Florida Coalition for Lower Gas Prices. The Florida Coalition for Lower Gas Prices, founded by Wal-Mart and Murphy USA., consists of state and local consumer and business organizations fighting to repeal a portion of The Florida Motor Fuel Marketing Practices Act.