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ENGROSSED SUBSTITUTE HOUSE BILL 1924

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State of Washington

52nd Legislature

1991 Regular Session

By House Committee on Energy & Utilities (originally sponsored by Representatives Grant, Belcher, Rasmussen, Ludwig, Bray, Rayburn and Inslee).

Read first time March 6, 1991.

1 AN ACT Relating to the marketing of motor fuels; creating new  
2 sections; and providing an expiration date.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds and declares that  
5 the distribution and sale of motor vehicle fuels in the state of  
6 Washington vitally affects the general economy of the state, the public  
7 interest, and the public welfare. The legislature further finds that  
8 there is public concern over whether there is effective competition in  
9 the motor vehicle fuels marketplace and whether there is fairness in  
10 the pricing and distribution of motor vehicle fuels in the state. A  
11 factor in the public concern is variations in motor vehicle fuel prices  
12 that appear to be unrelated to comparative marketing costs.

13 NEW SECTION. **Sec. 2.** (1) The joint select committee on motor  
14 vehicle fuels marketing is created and shall consist of ten members,

1 three from the majority party and two from the minority party, from  
2 each of the senate and the house of representatives. There shall be  
3 cochair, and the president of the senate shall appoint the senate  
4 members and senate chair, and the speaker of the house of  
5 representatives shall appoint the house members and house of  
6 representatives chair.

7 (2) The staffs of the senate and house of representatives  
8 committees on energy and utilities and transportation shall provide  
9 staff support for the joint select committee. State agencies,  
10 including the departments of transportation and ecology, the state  
11 energy office, and the attorney general, shall provide information as  
12 requested by the joint select committee. The joint select committee  
13 has the power of subpoena.

14 NEW SECTION. **Sec. 3.** (1) The joint select committee shall  
15 investigate motor vehicle fuels pricing and distribution in the state  
16 of Washington. In particular, the joint select committee shall  
17 compare, over a length of time and at various locations around the  
18 state, the prices charged by oil companies as follows: Retail motor  
19 vehicle fuel prices charged by oil company-owned and operated gas  
20 stations and wholesale prices charged by oil companies for motor  
21 vehicle fuel sold to independent gas station operators and to  
22 independent wholesale distributors of motor vehicle fuel. For  
23 consistency in the comparison, the marketing costs of company-owned and  
24 operated gas stations, independent gas stations, and independent  
25 wholesale distributors shall be investigated.

26 (2) The joint select committee shall determine whether there is  
27 discrimination by oil companies in the distribution of motor vehicle  
28 fuel. Also, the joint select committee shall determine whether there  
29 is unfair motor vehicle fuel pricing resulting in lessening of

1 competition in the motor vehicle fuel marketplace. In particular, oil  
2 company marketing practices shall be evaluated as to whether they make  
3 it more difficult for small business operators to enter, remain in, or  
4 expand their business in the motor vehicle fuels marketplace.

5 NEW SECTION. **Sec. 4.** The joint select committee shall report  
6 its findings, including legislative recommendations, if any, to the  
7 senate and house of representatives committees on energy and utilities  
8 by December 1, 1991. This act expires June 30, 1992.