

# The Ending Price-Gouging During Emergencies Act

## **The Problem: Price Gougers Ripping-Off Americans During The Coronavirus Pandemic**

Senator Tillis understands that during emergencies, it's essential that Americans have access to certain goods that can help them weather through emergencies, and in some cases, even save lives. As we see with the Coronavirus (COVID-19) pandemic, there is a high demand but not enough supply for essential goods like medical masks, hand sanitizer, and other products that help reduce transmission and keep Americans, including our medical providers, safe and healthy. Unfortunately, we have seen bad actors who are exploiting this public health crisis by charging people exorbitant and excessive prices for critically-needed goods. Senator Tillis has heard of multiple instances of this happening in North Carolina, including businesses that are attempting to price gouge health providers that desperately need a larger supply of medical masks.

## **The Solution: The Ending Price-Gouging During Emergencies Act**

Senator Tillis has introduced the *Ending Price-Gouging During Emergencies Act* to punish price gougers and help ensure that prices for critically-needed goods cannot rise to excessive levels during a nationally-declared state of emergency. Specifically, the legislation works in the following manner:

- 1) Upon the utilization of the Stafford Act, which enables the president to declare of a national state of emergency, the Federal Emergency Management Agency (FEMA) statutorily becomes the main coordinating entity for the combined federal and state response to the disaster. Once this trigger is initiated, the *Ending Price-Gouging During Emergencies Act* would go into effect and grant the FEMA Director with the ability to draft lists of goods and items necessary to their response to the current crisis at hand.
- 2) After this list has been produced, any person or business found charging a price for an item on said list that either: (1) "grossly exceeds" the item's price average from the previous month in the same area or (2) "grossly exceeds" the price average of same/similar product offered currently by others in the same area would find themselves liable for prosecution under the *Ending Price-Gouging During Emergencies Act* and subject to significant civil penalties. The civil penalties will be up to 10 times the amount of profits from price gouging, with maximum criminal penalties up to \$500 million.
- 3) Additionally, the *Ending Price-Gouging During Emergencies Act* specifically tasks the Federal Trade Commission (FTC) and Attorney General with the ability to enforce these anti-gouging measures. They are further instructed to prioritize the investigation and prosecution of price-gouging cases based on the percent increase from average price of the FEMA-list item two weeks prior to Stafford Act declaration. This allows our law enforcement and judicial system to identify those who price-gouging of struggling Americans we the most egregious in nature and bring them to justice sooner.