

Motor Vehicle Fuel Meeting

Good Afternoon. My name is David Smitherman. I am the spokesman in Iowa for the American Petroleum Institute.

Historically, the American Petroleum Institute and its member companies have opposed legislation that interferes with the free market place. We feel adequate protection currently exists, both at the Federal level as well as the State level, to address unfair or illegal marketing practices.

The legislation currently being proposed would serve little purpose other than to constrain competition and would ultimately raise prices to the consumers of petroleum products in Iowa.

Hawaii has enacted legislation which empowers the state to set the wholesale price of gasoline. Hawaii has some of the highest retail gasoline prices in the United States and some officials fear their legislation has had a negative impact on consumers.

It is my understanding legislation has been introduced in Wisconsin to repeal their below cost law and the Governor of Minnesota has stated his desire to repeal the Minnesota law.

The petroleum business is very competitive and ever changing. In order to be successful one has to be innovative and willing to change. It is our belief the free market place has and is working to the benefit of the Iowa consumer. The proposed below cost/minimum mark-up legislation will not benefit the Iowa consumer.