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NINETY-EIGHTH LEGISLATURE

3

FIRST SESSION

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LEGISLATIVE RESOLUTION 122

5 Introduced by Janssen, 15

6 PURPOSE: To review existing law and the need for legislation  
7 regarding the predatory pricing of motor fuel. Unfair competition  
8 in the marketing of motor fuel occurs whenever costs associated  
9 with the marketing of motor fuel are recovered from other than  
10 operations, thus allowing the refined motor fuel to be sold at  
11 subsidized prices. Such subsidies most commonly occur in one of  
12 three ways: (1) When refiners use profits from refining crude oil  
13 to cover below-normal or negative returns earned from motor fuel  
14 marketing operations, (2) when a motor fuel retailer with more than  
15 one location uses profits from one location to cover losses from  
16 predatory pricing practices of motor fuel at another location, and  
17 (3) when a business uses profits from nonmotor fuel sales to cover  
18 losses from the predatory pricing being lost on motor fuel sales.  
19 The study shall include a review of the long-term effects on the  
20 competitive market of the pricing of motor fuel at predatory  
21 pricing levels, ways to encourage fair and honest competition, and  
22 options to safeguard the public against the creation of monopolies  
23 or unfair methods of competition in transactions involving the sale  
24 of, offer to sell, or inducement to sell motor fuel in the  
25 wholesale or retail trades in this state. In addition, the study  
26 shall include the feasibility of prohibiting the pricing of motor

1 fuel, an infinite resource, to be used as a loss-leader product.

2 NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE  
3 NINETY-EIGHTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

4 1. That the Revenue Committee of the Legislature shall  
5 be designated to conduct an interim study to carry out the purposes  
6 of this resolution.

7 2. That the committee shall upon the conclusion of its  
8 study make a report of its findings, together with its  
9 recommendations, to the Legislative Council or Legislature.