

103^D CONGRESS
1ST SESSION

S. 539

To amend the Petroleum Marketing Practices Act to require any change proposed at the time of renewal of a franchise agreement for the sale of motor fuel to be fair and reasonable, to ensure fairness and balance in the application of such Act, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 9 (legislative day, MARCH 3), 1993

Mr. FORD introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To amend the Petroleum Marketing Practices Act to require any change proposed at the time of renewal of a franchise agreement for the sale of motor fuel to be fair and reasonable, to ensure fairness and balance in the application of such Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Petroleum Marketing
5 Reform Act of 1993”.

1 **SEC. 2. DEFINITION OF FRANCHISE.**

2 Section 101(1)(B) of the Petroleum Marketing Prac-
3 tices Act (15 U.S.C. 2801(1)(B)) is amended—

4 (1) in clause (ii), by striking “and” at the end;

5 (2) by redesignating clause (iii) as clause (iv);

6 and

7 (3) by inserting after clause (ii) the following
8 new clause:

9 “(iii) any contract between the parties described
10 in clauses (i), (ii), (iii), and (iv) of subparagraph (A)
11 that is economically necessary to the operation of
12 the franchise; and”.

13 **SEC. 3. GROUNDS FOR NONRENEWAL IN CERTAIN CASE.**

14 Section 102(b)(3)(A) of the Petroleum Marketing
15 Practices Act (15 U.S.C. 2802(b)(3)(A)) is amended—

16 (1) in clause (i), by striking “and” at the end;

17 (2) in clause (ii), by striking the period at the
18 end and inserting “; and”; and

19 (3) by adding at the end the following new
20 clause:

21 “(iii) the changes or additions are fair and
22 reasonable.”.

23 **SEC. 4. NEGOTIATION OF UNDERLYING LEASE.**

24 Section 102(c) of the Petroleum Marketing Practices
25 Act (15 U.S.C. 2802(c)) is amended by striking paragraph
26 (4) and inserting the following new paragraph:

1 “(4) loss of the right of the franchisor to grant
2 possession of the leased marketing premises through
3 expiration of an underlying lease, if—

4 “(A) the franchisee was notified in writing,
5 prior to the commencement of the term of the
6 then existing franchise—

7 “(i) of the duration of the underlying
8 lease; and

9 “(ii) of the fact that the underlying
10 lease might expire and not be renewed dur-
11 ing the term of the franchise (in the case
12 of termination) or at the end of the term
13 (in the case of nonrenewal); and

14 “(B) in any case in which the franchisor
15 has an option to renew the underlying lease or
16 purchase the premises, the franchisor—

17 “(i) provides, not later than 90 days
18 before the date on which the option ex-
19 pires, the franchisee with the name, ad-
20 dress, and telephone number of the owner
21 or lessor of the premises; and

22 “(ii) agrees not to use this paragraph
23 as a ground for nonrenewal or termination
24 during any term during which the
25 franchisee is able to retain possession of

4

1 the premises as a result of any agreement
2 entered into with the owner or lessor of the
3 premises;”.

○