AG Myers files settlement with Pilot gas station chain for pricing violations

by Bend Weekly News Sources

Attorney General Hardy Myers this week announced the filing of a settlement agreement with a national gas station chain after warning the company three times to comply with Oregon's gas pricing rules. Named in an Assurance of Voluntary Compliance filed in Marion County Circuit Court is Pilot Travel Centers LLC of Knoxville, Tennessee. The AVC admits no law violation.

"One would think that a national company would take advantage of being warned about changing its misleading advertising of gasoline in its Oregon stations and change it ways," Myers said. "Unfortunately, it didn't and we had to take a stronger law enforcement approach."

In the first instance, investigators from the state Measurement Standards Division of the Department of Agriculture found the company was violating Oregon's gas pricing rules and referred the complaint to the Department of Justice (DOJ). Subsequently, the DOJ received two more consumer complaints. All three consumer complaints resulted in the Department of Justice formally warning the company in each instance.

Pilot has seven Oregon locations including one in Brooks, Central Point, Chemult, Oakland, Ontario, Stanfield and Wasco.

The company was first "put on notice" by Justice when one of its Oregon service stations used signs that only displayed a cash price for regular unleaded and #2 diesel grades when the rules require stations using signs to post the lowest cash price of all grades sold. Furthermore, the price for the #2 diesel did not match the price on the pump in violation of another gas pricing rule.

In Oregon, gas stations now sell two grades of diesel, #2 diesel is for non-commercial use by consumers and PUC diesel for business. In posting these two diesel grades, the PUC commercial diesel appears to be cheaper because business pays all taxes upfront and they are not included on the signage. The #2 non-commercial diesel signage must include taxes and will be posted at a higher rate.

The second warning concerned another gas station that incompletely listed all grades of fuel offered.

The third notice was the result of a complaint from an Oregon recreational vehicle owner. As practiced by many RV owners, this consumer checked gasoline prices online before traveling and planned where to fill up with gas based on posted prices on the Internet. Pilot posted its gasoline prices online with a disclaimer that "prices are not guaranteed" but posted its PUC diesel price.

Furthermore, the sign at a third station displayed the prices for unleaded, plus, premium and PUC diesel but failed to include the price for #2 diesel.

"Gasoline stations have no excuse for failure to comply with Oregon's long-standing gas pricing rules," Myers explained. "Station owners know that consumers depend on the accuracy of signage in order to determine where to find the best gas prices for their needs. If it isn't truthful, consumers and competitors will make sure we know about it."

Under the agreement, Pilot must disclose any limitations or required exemptions on the advertised price of gasoline or diesel listed on its website. Pilot also must comply with Oregon's gasoline pricing rules including displaying the lowest cash price on all grades of gasoline sold at the station and clearly posting all conditions relating to those cash prices.

Pilot can not charge more than the amount registered on the dispensing device and must display a sign on the pump face stating the cash price when there is a discount for cash program so consumers can see both the cash price and the displayed credit price.

Pilot also agreed to pay $20,000 to the Department of Justice Consumer Protection and Education Fund.

Oregonians may file complaints on possible unlawful conduct in gasoline pricing and advertising on the Attorney General's Gas Price Reporter at www.doj.state.or.us.

Consumers wanting more information about gasoline advertising in Oregon and other consumer protection issues may call the Attorney General's consumer hotline at (503) 378-4320 (Salem area only), (503) 229-5576 (Portland area only) or toll-free at 1-877-877-9392. Justice is online at www.doj.state.or.usAssurance of Voluntary Compliance (AVC) (pdf)

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