

“Surge Pricing”

Scenario:

You are trying to reach the City-County Building in downtown Pittsburgh by 5:00 pm to file a motion for your client. You are attempting to travel by “ride sharing” when a tall building in downtown Pittsburgh scheduled for demolition collapses weeks before expected. No one is hurt but there is a large panic. The governor declares a state of emergency and many people want to leave the city quickly fearing this is a disaster. Despite the chaos, you still consider it your ethical duty to your client to reach the courthouse by 5:00. When your Uber driver arrives they inform you that the trip will cost 20 times the usual rate citing their policy of “surge-pricing” during holidays and times of high demand. Are they legally allowed to charge this rate?

Answer:

Pennsylvania, and 33 other states, have Anti-Price Gouging Acts. You may remember hearing of the New York equivalent law during Hurricane Sandy. There it prohibited providers of goods and services, including Taxi services, from taking advantage of consumers during the natural disaster.

Pennsylvania's Anti Price Gouging Act (P.L. 1210, No. 133) prohibits parties involved in the sale of consumer goods and services from charging "unconscionable prices" to take advantage of consumers during times of "disruption to the market."

The Attorney General has discretion on whether to bring an action to impose a civil penalty up to \$10,000 for each violation.

Uber has a strong argument that the increased price is necessary to incentivize their drivers to leave the safety of their homes during a disaster, much like the "surge-pricing" on New Years Eve is necessary to incentivize drivers to leave their family on a holiday to drive drunk lawyers around. **While a smaller increase would be justifiable, a 20 times increase is probably "unconscionably excessive."**