

Rep. Smiley offered the following resolution:

House Resolution No. 297.

A resolution to urge the Department of Natural Resources and the Michigan Attorney General to work with the appropriate federal authorities and employ all available resources to investigate alleged price fixing and collusion among natural gas developers, and vigorously pursue damages to which the State of Michigan and impacted citizens are entitled.

Whereas, Natural gas is a part of Michigan's rich legacy of natural resources. For decades energy companies have leased land in the northern Lower Peninsula to develop natural gas and bring it to market. These energy companies make millions of dollars selling the gas they extract from Michigan's bedrock. In return, private landowners and the State of Michigan, on behalf of its citizens, receive lease payments and royalties; and

Whereas, According to the news organization, *Reuters*, two major players in Michigan's natural gas industry may have colluded to reduce public and private lease prices. *Reuters* maintains that one month after the state and private landowners received record bids to lease land in the Utica-Collingwood natural gas fields, two companies exchanged emails about working together to avoid driving up future bids. Four months later, asserts *Reuters*, the average bid in the Utica-Collingwood fields dropped from about \$1,400 to \$46 per acre. This alleged activity amounts to price fixing between competitors, which is illegal under the federal Sherman Antitrust Act, and it may have cheated Michigan citizens out of tens of millions of dollars or more; and

Whereas, If these accusations are true, it would be a major betrayal of the public trust placed in these two companies. Natural gas development involves many procedures that could, if not performed safely and properly, damage the environment. If these two companies have indeed broken the law by colluding to bring prices down, their commitment to following other Michigan laws, including environmental laws could be questioned. Michigan's rich legacy of natural resources should only be entrusted to companies that act with good faith and integrity. It is imperative to find out the truth about the assertions made by *Reuters*. If collusion and price fixing have occurred, Michigan citizens must be made whole. All appropriate civil damages and criminal penalties must be pursued; now, therefore, be it

Resolved by the House of Representatives, That we urge the Department of Natural Resources and the Michigan Attorney General to work with the appropriate federal authorities and employ all available resources to investigate alleged price fixing and collusion among natural gas developers, and vigorously pursue damages to which the State of Michigan and impacted citizens are entitled; and be it further

Resolved, That copies of this resolution be transmitted to the Director of the Department of Natural Resources and the Michigan Attorney General.