

## Rep. Slaughter Announces New Legislation to Curb Rising Gas Prices

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Thank you for coming out today. I drove over here to the gas station ...and like you, I was keeping one eye on the road and the other eye on the gas gauge. I was calculating in my head how many more miles I could drive before I'd have to fill my gas tank....and how a trip to the gas station was probably going to cost me \$50 or \$60 dollars.

We're all in the same boat: escalating gas prices with no end in sight. And unfortunately -- as we all know -- Western New Yorkers are paying some of the highest prices in the nation.

Gas prices in Rochester are currently averaging \$3.24 per gallon, which is an increase of 83 cents from a month ago...and is a \$1.24 higher than a year ago.

Buffalo Niagara's average price is \$3.36, which is 5 cents higher than New York state's average and well above the national average of \$3.03.

There are many reasons for the high price of gasoline. There is increased world demand for crude oil, and the continued violence in Iraq has threatened to disrupt supply. Hurricane Katrina has also temporarily shut-down oil refineries in the Gulf Coast. But it is also clear that oil companies are continuing to artificially drive up their prices to gouge consumers at the pump. Hurricane Katrina has, in part, caused higher prices. But oil companies are taking advantage of this national disaster in order to further pad their pockets.

Even before Hurricane Katrina, the oil industry was enjoying record-level profits. Exxon-Mobile alone brought in over \$7.6 billion in profits in the last quarter. This comes on top of the ten biggest public oil companies reaping profits of over \$125 billion in the past three years, as well as \$6 billion in subsidies they will receive as part of the Energy Bill.

Yet while the oil companies are enjoying their largest windfall in history, consumers keep seeing the price of gasoline skyrocket. Today, the price of gasoline costs almost a \$1.25 more than it did a year ago.

Before Hurricane Katrina hit, I had the Government Reform Committee study what increased prices would mean to my constituents. What they came back with is truly alarming. They concluded that families in Western New York would be paying at least \$400 more for gasoline in the next six months alone....And that was before Hurricane Katrina kicked prices up even higher. The number now is probably more like \$600 to \$700 more over the next few months.

Some of my Republican colleagues are actually arguing with a straight face that if we just give the oil companies more incentive to drill for oil, we'll improve the situation. What they really mean is improve the bottom-line for the oil industry while leaving consumers holding the bag.

There is no question, we have a fuel emergency on our hands. And if Congress doesn't act quickly, the problem will continue to get worse. We must act to temporarily cap gas prices...so that we can stabilize the market and protect consumers. For this reason, I have introduced the Emergency Petroleum Allocation Act.

My bill would direct the President to temporarily set caps on the price of gasoline. Keeping in mind the President's reluctance to do anything that his big oil buddies might object to - regardless of the consequences to the average consumer -- I've put in a maximum price of \$2.50 per gallon. This was the national average of gasoline before Hurricane Katrina hit.

My legislation is nearly identical to an approach that Congress and the President took in the 1970s. At that time - when prices were spiraling out of control - Congress stepped-in and authorized the President to establish temporary regulations to control gas prices and allocate fuel during national emergencies. My bill does all of that, and then also requires the Secretary of Energy to come up with a plan to control gas prices in future oil emergencies. As we've sadly seen over the past few weeks, the Bush Administration clearly did not have any plan of what to do after Katrina hit. My bill will make sure that we do have a plan for protecting consumers from out of control fuel costs.

Now I want to be clear: this legislation won't harm retail gasoline owners. As Paul was telling me earlier, it is the oil companies that are driving up the price of gasoline, leaving retailers with only a couple cents profit per gallon, or losing money altogether. My bill includes strict provisions that protect retailers and wholesalers.

Consumers aren't just paying at the pump. The Northeast is expected to face the most expensive winter heating season in history.

Relative to last winter's costs, household heating costs fuels this year are estimated to increase as high as 71 percent for natural gas, 17 percent for electricity; and 31 percent for heating oil for propane. Consumers could be hit on two fronts: at the pump and heating their house.

For this reason, I sent a letter to President Bush this week, which was signed by over 50 of my colleagues from both parties, calling on the President to include additional assistance to low-income Americans who struggle year in and year out to pay to heat their homes. The Low Income Home Energy Assistance Program has been critical in helping Americans pay for heating their home.

It is incumbent that the President considers the effects that Hurricane Katrina will have beyond the shores of the Gulf Coast. Increased funding for the LIHEAP program is critical to stymie further fallout of Katrina's destruction and prevent a home heating crisis this winter.

In closing, Congress must act to stabilize the price of gasoline and protect the American economy until we can fully rebound from financial impacts of Hurricane Katrina. My bill is an immediate step that Congress can take to help consumers during this national fuel emergency.

But if the U.S. is to truly avoid skyrocketing gasoline prices for the long-term, we must clamp down on oil companies outrageous profits, break our dependence on foreign oil, and invest in renewable energy and conservation measures. I will continue to advocate a smart energy policy in Congress, and rebuke attempts by my colleagues to further help the oil industry reap in more profits, at the expense of hard-working families.

Thank you again for coming out today, and I want to thank Paul for hosting us. I would be pleased to take some questions.