



**New Jersey Gasoline, C-Store, Automotive Association (NJGCA)**

*(Formerly New Jersey Gasoline Retailers Association)*

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**FOR IMMEDIATE RELEASE**

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**Update: Short-sighted attempt by President Obama to lower gas prices fails**

*President's decision to open the Strategic Petroleum Reserve proved totally ineffective; government interfering in marketplace only costs us more, made US less secure*

Sal Risalvato, Executive Director of the New Jersey Gasoline, Convenience, Automotive Association (NJGCA), made the following remarks concerning the recent upward trend of gasoline prices:

“Back in mid-April there were calls from New Jersey Senator Robert Menendez and others for the President to release some oil from the nation’s Strategic Petroleum Reserve in order to try and contain rapidly rising gas prices. I penned an op-ed stating my strenuous opposition to such a move. As I said then, ‘the Reserve is not a well that’s supposed to be tapped when times are tough; it’s a resource that’s to be used when no other alternatives exist or when natural disaster strikes.’”

Risalvato continued: “Unfortunately, the President ignored the calls made by myself and several others. On June 23, it was announced that the Administration would release 30 million barrels from the Reserve, 5% of the total. I said at the time that this was ‘nothing more than a political calculation, not a long-term strategy made for energy or economic reasons.’ President Obama merely wanted to make it look like he was doing something, anything, to alleviate the problems of high gas prices. It was especially unnecessary because gasoline prices had been dropping on their own, without any sort of market intervention by opportunistic politicians. The president should have noticed at the time of his authorization to release oil from SPR that the price of gas had already dropped about 50 cents over the previous 2 months.

When the release was first announced, there was indeed a drop in the price of oil and gas. However, a mere three weeks later and the price of wholesale gasoline has risen a whopping 31 cents, and is higher than it was before the release occurred. In the end all we are left with is a bunch of empty space in our Strategic Petroleum Reserve. Even worse, the government is now going to have to replenish what was sold off, and in doing so will almost certainly pay a higher price than what we had bought it for originally.”

“It should be clear now that when the government tries to interfere in the marketplace, all that happens is that the citizens get hurt, not helped. The Strategic Petroleum Reserve is a strategic asset, meant to be used only for extremely significant emergencies. It’s meant not for a small supply disruption like the civil war in Libya, it is meant for major disruptions like an OPEC embargo.

Risalvato added: “Instead of short-term gimmicks designed to get some positive headlines and briefly improve poll numbers, our leaders should look toward long-term solutions to our reliance on foreign oil. We get huge quantities of our energy from very unpredictable places in the world. The volatility of gas prices is not going to go away as long as we are so dependent on foreign oil. It is indisputable that some day we will have a last drop of oil. We cannot wait until then to address this problem.”

"Hopefully the fact that the policy of releasing oil from the Strategic Petroleum Reserve when there is no emergency has failed so spectacularly that it will not set a dangerous precedent." Risalvato concluded.

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