



# **New Jersey Officials Hope Anti-Gas Gouging Bill Will Ease Pain At The Pump**

**By: Eyewitness News, May 20, 2022**

**WOODBIDGE, New Jersey** -- New Jersey officials are hoping a new bill cracking down on price gouging by oil companies and other energy producers will offer some relief to drivers as prices at the pump continue to soar.

Congressman Frank Pallone held a press conference Friday to talk about the Consumer Fuel Price Gouging Prevention Act, which will empower the federal government to penalize market manipulators and bring more transparency to the secretive oil and gas market.

The bill would give President Joe Biden authority to declare an energy emergency that would make it unlawful to increase gasoline and home energy fuel prices in an "excessive" or exploitative manner.

It also directs the Federal Trade Commission to punish companies that engage in price gouging and adds a new unit at the FTC to monitor fuel markets.

"At a time when New Jerseyans are paying record high prices for gas, Big Oil is taking advantage of Russia's unjust war in Ukraine and our ongoing economic recovery from the COVID-19 pandemic to rake in record profits," Pallone said. "These companies are more interested in funneling billions to their shareholders and executives instead of addressing high gas prices. They are manipulating the market by deliberately keeping production low, keeping both prices and their profits high."

The measure was approved, 217-207, with Republicans unanimously opposing the bill along with four Democrats.

It now goes to the Senate, where a similar bill faces steep odds amid a 50-50 split between Democrats and Republicans.

**Not everyone is in favor of the measure, though. Sal Risalvato, executive director of the New Jersey Gasoline-Convenience-Automotive Association, said it wrongly scrutinizes service stations and creates contrived mistrust of small business owners.**

**"Congress is wholly misguided and misinformed in putting forward this proposal," he said. "They're taking a shot at service stations for high fuel prices, while disregarding the reality in how these prices are determined in the first place...Washington is failing to recognize that my members are prey to the same market volatility that consumers are."**

**Risalvato also questioned what the proposal will achieve and if it was needed.**

**"First, Washington is ignoring the fact that states like New Jersey already have anti-gouging measures in place," he said. "Second, they are giving the FTC, a federal agency, the authority to target small business owners like my members for perceived gouging. And third, they are ignoring the reality that a federal directive may not neatly square with New Jersey's own anti-gouging mandates. That will create more confusion for the small business community and add another regulatory burden."**

The focus on price gouging comes as gas prices hit an average of \$4.59 per gallon Thursday - 49 cents a gallon higher than a month ago and \$1.55 higher than a year ago, according to AAA.

New York is rapidly approaching a \$5 per gallon average price, rising Thursday to \$4.91. In New Jersey, the average cost is \$4.77, with Connecticut following closely behind at \$4.68.

ExxonMobil, Chevron and other major oil companies announced surging profits totaling more than \$40 billion in the first quarter of the year, a fact Democrats repeatedly cited in floor debate. Many of the companies are spending billions on stock buybacks and dividend payments to investors.

"Big Oil is price gouging families because they can," said Rep. Katie Porter, D-Calif., another co-sponsor. "Enough is enough."

Republicans and industry groups called the bill misguided, saying there is no evidence of price gouging. Oil is a global commodity and prices are set on the global market.

Gas prices rose late last year amid supply chain problems and increased demand as the economy recovered following the COVID-19 pandemic, but prices have spiked ever higher since Russia's Feb. 24 invasion of Ukraine. The U.S. has banned imports of Russian oil and other countries are seeking alternatives to Russian energy, driving prices up.

Biden, aware of the political stakes, has vowed to do all he can to ease "pain at the pump for American families," including ordering release of record amounts of oil from the nation's strategic reserve.

White House press secretary Karine Jean-Pierre said Biden "welcomes all ideas to

protect consumers and to make sure that oil companies aren't taking advantage of (Russian President Vladimir) Putin's war and are competing fairly.

Republicans say the answer to higher gas prices is to increase production here in the United States.

Louisiana Rep. Steve Scalise, the No. 2 House Republican, called the bill an attempt by Democrats "to distract and shift blame from the administration's self-inflicted energy and inflation crisis."

Scalise called the bill "a socialist price-fixing scheme that hurts small businesses and consumers the most." He accused Democrats of "politicizing" the FTC by giving the commission "wide-ranging powers based on undefined parameters that will allow it to usurp market forces and set government-controlled gasoline prices."

Rep. Chris Pappas, D-N.H., said the bill was needed. "The price of crude oil fell last month, yet the prices consumers pay at the pump continued to rise. We have to put an end to this corporate profiteering and give families relief," he said.

The American Exploration and Production Council, a lobbying group that represents independent oil and gas producers, called the bill counter-productive. "Energy prices are determined by supply and demand, not false accusations of 'price gouging' motivated by the upcoming election," said Anne Bradbury, the group's CEO.

The House vote comes as Interior Secretary Deb Haaland said she will release a long-delayed, five-year plan that allows Interior to conduct new offshore oil and gas lease sales. The current plan expires June 30, and administration officials had not said when or if a replacement would be released, even as they canceled three offshore lease sales scheduled in the Gulf of Mexico and off the Alaska coast.

Haaland told the Senate Energy Committee the new plan will be made public by June 30. The plan does not issue specific leases or authorize any drilling project.

"As we take this next step, we will follow the science and the law, as we always do," Haaland said Thursday, vowing a "robust and transparent review process that includes input from states, the public and tribes."

The Biden administration has come under pressure to increase U.S. crude production as fuel prices spike because of the pandemic and the war in Ukraine.

Biden also faces pressure from Democrats and environmental groups urging him to do more to combat climate change, even as his legislative proposals on climate and clean energy remain stalled in a sharply divided Congress.

Sen. Joe Manchin, a West Virginia Democrat who chairs the energy panel and plays an outsized role on energy policy, said Thursday that "even as we see Russia wage a war enabled by energy insecurity in Europe, this administration has made its opposition to

domestic oil and gas production crystal clear."

Manchin said he supported a pause on new oil and gas leasing on federal lands and waters announced by Biden soon after taking office in January 2021. By last summer, he told Haaland, "the time for a pause had come and gone."

Now, 16 months after the pause was announced, "we still have no new leases," Manchin said. "I'm sorry to say it has become crystal clear that the 'pause' is in fact a ban."

Interior conducted an offshore lease sale last fall, responding to a court order, but the sale was later vacated by a federal judge.

The administration has scheduled onshore lease sales next month in eight mostly Western states. However, officials scaled back the amount of land offered for drilling and raised royalty rates charged to energy companies by 50%.

The four Democrats who opposed the House bill are Reps. Lizzie Fletcher of Texas, Jared Golden of Maine, Stephanie Murphy of Florida and Kathleen Rice of New York.