



NEW YORK STATE SENATOR

William Larkin

Larkin Calls For Answers On Recent Gas Price Spike

William J. Larkin Jr.

March 26, 2006

Senator Bill Larkin has called upon Attorney General Eliot Spitzer to remain diligent in protecting consumers from the danger of gas price gouging.

"Why has there been another sudden and extreme spike in gas prices at the pump?" asked Senator Larkin. "Crude oil prices have been relatively stable recently, winter has passed, the weather is warming up, there have been no holidays to cause a hike in prices, and there have been no storms or natural disasters in New York. While the international oil situation is tenuous, I question whether certain companies are taking advantage of this as a way to again gouge the public and increase their profits."

While the country is still affected by the damage to offshore oil rigs and land based refineries in the Gulf Coast region as a result of the devastation from Hurricane Katrina, the concern remains that some gas companies are manipulating these circumstances to unfairly and unnecessarily gouge New York consumers.

Some experts claim that the rise in price is simply due to strong demand for fuel. Others say it could be a combination of high demand and the changes in domestic refining equipment that oil refineries have to perform every year. When they switch their equipment, the oil refining process is slowed and the supply slightly decreases. Still others theorize that the anticipation of possible ethanol mandates in future gas supplies and whether there will be enough ethanol to supply the demand impacts costs.

"Whatever the opinions, the fact is that there is no concrete reason for this latest surge in gas prices," said Larkin. "I am appealing to the Attorney General to remain vigilant in his investigations, to more closely monitor this situation, and to continue to do everything in his means to protect New York's consumers."