

Talking Points for Chairman McCain
Senate Committee On Commerce, Science, and Transportation
Hearing on West Coast Gasoline Price
Wednesday, April 25, 2001, 2:30 p.m.

- C I applaud Senator Smith for holding this hearing.
- C Although this hearing is about the reasons why West Coast gasoline prices are higher than in other parts of the country, I think Americans around the country have been watching with dismay as the signs posting prices at their corner gas stations are changed daily, and changed upwards.
- C It's been reported that gasoline prices in the U.S., not adjusted for inflation, have risen more in the past two weeks than in any other two-week period in the past fifty years.
- C And the real hikes may be yet to come -- energy industry analysts and some of the witnesses who will appear here today say that prices will go higher as we head into the summer months.
- C Combine this with the news yesterday that one oil company's profits are up 44% over last year, and analysts are being reported as saying that the company's biggest problem will be what to do with all of the cash flowing into its coffers, and you have some perplexed drivers with lots of questions they want answered.
- C While there may be no relationship between high world-wide oil company profits and skyrocketing gasoline prices in the U.S., I'd like to know more about the profitability of the refining sector.
- C I understand that the witnesses here today all agree that we have a major capacity problem in our refining sector, and that this problem is going to get worse as U.S. demand for gasoline and oil products increases. Does the lack of refining capacity mean that every time there's a refinery outage, prices skyrocket along with oil company profits? I hope this topic is covered at this hearing as it has implications not just for the West Coast but for the entire country.
- C I'd also like to examine whether the balkanization of gasoline, with states adopting their own peculiar gasoline reformulations for laudable environmental purposes, is contributing to higher prices because we no longer have a common product that can be shipped for use to combat shortages.
- C Again, I am very pleased that Senator Smith is holding this hearing today. I hope the information brought out today helps to answer questions on people's minds throughout the country, not just on the West Coast.