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# Let's be honest about gas prices

As we all begin looking for summer vacation destinations, one of the main deciding factors could very well be the price of gas. There has been a ton of press about the cost of gasoline and its effect on our budgets and travel plans.

There are many factors affecting the cost of a gallon of gas. One of the biggest is tax. Here in Wisconsin, we pay the highest gas tax of any state in the country at 32.1 cents per gallon on top of the federal tax of 18.4 cents. The second-highest state is New York at 31.9

cents; the state with the lowest gas tax is Georgia at 7.5 cents.

Another big factor is Wisconsin's "minimum markup" law. Passed in the 1930s, the law requires gas stations to mark-up the cost of gas by a minimum of 9.18 percent. Ten years ago, when the cost of a gallon of gas was only \$1.28, the markup translated into a gross profit of about 10 cents per gallon.

Today, the profit is 23 cents per gallon.

Back when we had mom-and-pop corner filling stations, the law was created to prevent major

chains from dropping their prices to a level that the smaller stations simply couldn't compete with. Today, however, there are virtually no "little guys" left and the law has become unnecessary at best and harmful to consumers at worst.

According to an Oct. 15, 2003, report by the Federal Trade Commission, the minimum markup law does indeed hurt consumers. "Minimum markup laws likely deter pro-competitive price cutting and can ultimately lead to higher prices for consumers. They can prevent efficient vendors from passing on savings to consumers, and they can discour-

age entry from new competitors that may be more efficient. Moreover, when compared to other states with similar laws, the act exacerbates these problems by employing one of the steepest minimum markups on retail fuel sales in the country."

The remaining big factor is the income and profits of Big Oil. They've tried to redirect us with claims that "supply and demand dictates the price." To an extent that's true, but it is my contention that gas should not be a commodity whose price is determined by the stock market, but rather a necessity of life whose price must be determined by what is affordable and what is fair on the open market.

Big Oil is also quick to point out that the local gas stations aren't raking in the profits. Although this is true, it is only part of the story. What Big Oil doesn't mention is that they own everything from the pumps on the corner to the trucking companies to the refineries to the pipelines to the drilling platforms - and they rake in profit at every step of the process.

According to Exxon Mobil's 2005 report to shareholders, the company realized a profit of \$36 billion, the "highest in the history of the corporation." British Petroleum reported 2005 earnings of \$22.6 billion, up about 30 percent from the previous year. Shell reported 2005 earnings of over \$25 billion, an increase of almost 40 percent from the previous year.

The bottom line is that the price of gas is high for several reasons, including big oil, taxation and archaic laws. That explanation, though, doesn't help Mr. and Mrs. Average American who must fill up their minivan to haul their 2.3 kids on vacation this summer.

We are being fleeced by not only Big Oil but our own government as well. The huge profits Big Oil reaps make for very deep pockets when it comes to election campaigns and our politicians would rather have Big Oil fill their pockets than watch out for the little guy. Enough is enough!

Call you legislators and tell them we can't take it any more. Either they do something about the taxes, the minimum mark-up and Big Oil profits, or we'll do something about it ourselves when the next elections roll around.

Big Oil may be funding their campaigns, but without anyone voting for them, they simply can't win.

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