

# Battle at the pumps: is there a solution for increasing prices?

War



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Remember when Grandpa used to tell stories of how gasoline cost \$0. 10 a gallon when he first started driving? We laughed at the thought of anything costing less than a dollar, but with today's national average for gas sitting at \$3. 00 a gallon, the 300% price increase is no laughing matter (Benton, 2007).

If the price for gas continues to increase at the rate it is now, our children will be the one's finding humor in our silly rants of paying \$90. 00 to fill our SUV tanks. Gas hikes and price gouging are issues that most Americans would rather not be associated with.

Nevertheless, we all still have jobs to go to and errands to run. So, while some argue that the price increases are just a part of inflation, there are more arguing that gas pricing is a game of politics. Either way, we all will continue to pay what we have to go get from point A to point B. Targeting when gas hikes became such a hot issue dates back to the infamous "Katrina" disaster in August of 2005. In addition to the catastrophic storm, many claim that politics also play a part in price determination.

Whatever the reason, a solution must be sought. Thankfully, there are a few solution-seekers out there who are actively searching for ways to make living in the days of \$3. 00 plus per gallon a bit more tolerable, albeit still an, ah-hem, unpleasant issue. Collaborations between companies, innovations in vehicles, and vehicle purchasing incentives are all ways businesses are working together to keep the bitterness at bay. Nevertheless, many of us won't be happy until we are completely dependent on our own resources for the precious commodity.

So, while we will never see the same prices Grandpa paid for gasoline in our lifetime, reviewing the causes and finding solutions are the only ways we will avoid taking out a second mortgage just to put gas in the cars. Immediately after Hurricane Katrina, Americans panicked, and fearful gas retailers began a practice that was, for the most part, unheard of. Lines of gasoline-starved automobiles Battle at the Pumps 3 parked themselves at gas pumps, struggling to get every last drop of gas available before it was “ all gone”.

Rumors of depleted gas barrel supply sent small town gasoline retailers, as well as few big city retailers into gouging mode. Within hours, prices went from \$2. 00 to just over \$3. 00 a gallon in states such as Texas and Louisiana, the states closest to the disaster (AP, 2005). Another spark contributing to the gas fire blazing at the pumps is the claim that election years tend to send gas prices into a rollercoaster pattern: down before elections, and up after elections. In fact, Joe Benton of ConsumerAffairs. com writes that pre-election gas prices averaged \$2.

50 a gallon, and that gas prices “ are sure to rise again...right after the midterm elections” (2006). Mr. Benton was correct. Just after the elections the national average for gas prices increased 12. 5 cents in December, and has steadily continued to rise. Though the decrease is unexplainable, rest assured that the elections have nothing to do with it. If they were the reason for the decreased gas prices, however, most Americans would vie for monthly elections! Unfortunately, for the disgruntled, the days paying less than \$2. 00 a gallon for gasoline are long gone.

In fact, we drivers, bus riders, airline passengers and taxi goers must continue the suffrage, as melees to locate the best gas source is continued.  
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Until one is found, companies, manufacturers and even the government are giving a go at attempts to soften the blows of outrageously priced “petro”. The battle of fair gas prices has produced an effort among many to seek ways around getting hosed at the pump. For example, John Wakefield of Murphy Oil Corporation, states that Murphy USA’s goal is to “be a low cost provider to the communities [they] serve” (2006).

To comply with this statement, Murphy USA has collaborated with discount retailer, Wal-Mart, in order to offer a minimum of a three-cent discount for those who purchase fuel with a Wal-Mart gift card. This allows Murphy USA to maintain its position in offering a below average price for Battle at the Pumps 4 gasoline throughout the nation (Wakefield, 2006). Additionally, manufacturers, such as Ford and Chevy, have joined in the labors of providing an alternative for gas guzzling vehicles. Their answer to the gas price dilemma has been to increase promotion of hybrid and flex-fuel vehicles.

Hybrid vehicles, although in existence for many years, have become a popular choice for saving dollars at the pump, as have flex-fuel vehicles. Hybrid vehicles combine both the gasoline-powered and electric powered sources under the hood in order to increase the distance between fill-ups, which, in turn, saves one from filling up as often as with a strictly gas-powered vehicle (Layton, 2007) Similarly, flex-fuel vehicles (FFV), which have been around for a number of years as well, are also designed to combine power sources in order save on gasoline usage.

In the FFV case, a combination of gasoline and E85 fuel work together to increase the number of miles driven between fill-ups, resulting in dollars  
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saved (USDoE, 2007). The down side to both types of vehicles, however, is that they both cost a pretty penny, which brings us back to where we started: angry about spending mega-bucks just to drive. On the contrary, there is an up-side to the hybrid vehicle: The government offers a tax credit to those who purchase a hybrid (USDoE, 2007).

That's great...if you can afford the high price tag attached to the hybrid. But if you can't, what else is the government doing to ensure that we don't go bankrupt at the pumps? Though they sometimes seem like the bad guys, the government is making attempts to keep Americans from going into boxing matches with gas station attendants. Along with offering incentives to those who choose to finance or straight-out purchase hybrid vehicles, they are also looking out for the little people...those who can't afford to pay the \$4.

00 per gallon price tag that has become a frequenter of many gas stations across America post Katrina. Price gouging, or pricing above the market when demand increases, was a practice few were aware of before Battle at the Pump 5 August of 2005. However, when disaster struck, gas retailers took action, regardless of who it would affect. Soon, consumers were left with no where to turn and had no choice but to pay for overpriced fuel. Thankfully " Super Government" with its flowing red, white and blue cape came to our rescue, regulating pricing among gas retailers.

Although there is no law against price gouging, suspicious pricing will entail an investigation. In August 2005, the Energy Department created a hotline for people who fell victim to price gouging (Pope, 2005). Though efforts have been made, without a law to formally enforce a " no price gouging allowed" law, the problem, though not as wide spread as it had been initially, still <https://assignbuster.com/battle-at-the-pumps-is-there-a-solution-for-increasing-prices/>

exists. Gradually, as demand has continues to outweigh the supply of gasoline available, price gouging has sneakily made itself an accepted practice.

Investigations pending for suspected price gougers, the government is also seeking ways for America to become less dependent on international sources to keep America on the roads and in the air. As we wearily trudge to the pumps prepared to sacrifice our limbs just for a few gallons of gas, alternatives are being sought in order to use domestic sources for fuel. Biodiesel, a renewable fuel derived from sources such as vegetable oils and recycled restaurant greases, is just one of the alternative fuels being researched for common use among Americans.

In May of 2005, President Bush announced that efforts in making Biodiesel a main source for fuel were in the works, and estimated that by 2010, our country will become solely dependent on itself to fuel our vehicles, planes and trains (Bush, 2005). Upon receiving the news, farmers across America gained new hope in assisting in the effort to solve the ongoing problem of finding fuel alternatives. But one can't help but wonder: What about those folks who can't afford to transition into a vehicle that runs on the fuel alternatives soon to be available?

This is, indeed, has the Battle at the Pumps 6 potential to cripple hopes of becoming domestically dependent. Look around the next time you are on the road and you will see cars dating back to the early 60's and beyond. For some people, driving these 'vintage' vehicles is a choice, but for others, it is unavoidable. It makes sense to assume that if we all had themoneyto drive a modern day vehicle, we would. But for those people who are stuck in that <https://assignbuster.com/battle-at-the-pumps-is-there-a-solution-for-increasing-prices/>

1976 beat-up Nova, gas prices are still an issue that fuel alternatives won't solve.

Needless to say, if President Bush is determined for America to depend on ourselves for fuel, tapping into the oil sources available on our own soil is required. This, however, presents another problem: Once the soil is broken, where do those who live on the land go? The vast lands of Alaska are notorious for housing thousands of acres of untapped oil reserves. However, on those acres, life exists. Caribou, bison, bears, elk and even people inhabit these lands. For years, these habitors have been the reason that the oil reserves Alaska has to offer have gone undisturbed.

Nature activists have long protested the spoiling of the majestic lands across the Artic coastline. For this, we have continued to rely on countries such as the Middle Eastern lands, for oil. Years of jokes, ridicule and mockery have been directed at presidents, past and present, as well as the government in general, for not making stronger efforts in aggressively utilizing this land, regardless of who is affected. With pretty much no choice, President Bush proposed a plan to break ground along the Artic coastline in order to make use of the untapped oil lying beneath the thick blankets of frozen land and fluffed snow (Rosen, 2003).

There continues, as expected, to be protests against the efforts, to include the protests of the Inupiat Eskimos, who strongly feel that none of the villages in this region of Alaska will support the proposed project. Ultimately, someone is going to be unhappy. Battle at the Pump 7 To those who have decided to put on party hats in celebration of the anticipated Alaskan oil tapping project: don't mess up your ' do's just yet. The future in gas pricing <https://assignbuster.com/battle-at-the-pumps-is-there-a-solution-for-increasing-prices/>

will continue a long time pattern that Grandpa, Grandma, Dad and Mom have all had the unpleasant chore of experiencing.

The crystal ball of gas prices forecasts continued increases. While the rise may not be in fuel pricing, many will feel the impact of whatever solution is utilized to control this currently uncontrollable nuisance. While scientists are doing their best to resolve all issues with fuel alternatives, some alternatives, such as hydrogen, will pose an earlier predicted problem: older vehicles would have to undergo a complete replacement of their fueling systems. Alas, the efforts to seek out solutions must continue.

Though many efforts have been made to resolve the long time issue of inflated gas prices, as weeks go by, Americans resume the struggle with unfair gouging and seemingly unnecessary price hikes. It seems almost impossible to consider the alternatives of spending money on gas...heaven forbid we actually walk anywhere. Unfortunately, this horrible predicament we've found ourselves in appears to be without light. The only way to pleasantly endure the task of spending money is to...well...spend money.

To ensure that we survive this rain cloud, we can either cross our fingers for monthly elections (for the benefit of price drops), or we can purchase hybrid vehicles, stop in at the local Wal-Mart to purchase a gift cards, and gas up at Murphy USA. So, although solutions are being attempted, before you visit the gas pumps, be prepared to give up your first born child. References: 1. \$3.00 Gas Spreads to 7 States, D. C. (April 27, 2007) ConsumerAffairs. com: Benton, J. April 27, 2007. [http://www.consumeraffairs.com/news04/2007/04/gas\\_prices141.html](http://www.consumeraffairs.com/news04/2007/04/gas_prices141.html) 2. Bush plans on drilling in untapped Alaskan oil reserve. <https://assignbuster.com/battle-at-the-pumps-is-there-a-solution-for-increasing-prices/>



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