# Bluster on the Hill

*by the St. Louis Post-Dispatch*

When voters get mad enough, Congress gets going.

And so the House of Representatives recently passed a bill against gasoline price gouging.

Never mind that the bill is so vague that a gas station owner couldn't reasonably know when or if he's violating it. Never mind that there's no evidence that any actual price gouging is occurring.

Whenever gas prices jump, Congress and state regulators order an investigation. Invariably, the probe finds no price rigging by the oil companies, just big profits. That was the verdict of the Federal Trade Commission last year after it investigated the fuel price spike in the wake of Hurricane Katrina.

Today's gas prices - averaging $3.03 in St. Louis this week - stem from high demand and low supply, not price gouging. If Congress really wanted to lower gasoline prices, it would act to reverse our current supply-demand equation.

The price of crude oil is up about 14 percent since January. But the price of gasoline is up about 36 percent, according to figures from the AAA. Today's prices stem less from the rising price of oil than from a lack of refinery capacity, mainly in the United States. At the beginning of May, when gas prices took off, the United States was down to a 20-day supply of gasoline. Supplies were at their lowest since Katrina knocked out Gulf oil platforms and refineries in 2005.

When bottlenecks hit, gasoline prices spike. We've been importing more gasoline from abroad, but high foreign demand and the falling dollar are making imported gas expensive, too.

America needs to see more of what's going on in Roxana, where ConocoPhillips is spending $4 billion to expand capacity by about 30 percent at its Wood River refinery. The refinery will accept heavy oil from Canada, a relatively new source.

Meanwhile, the refinery shortage is creating gigantic profits for refiners; profit margin is running 34 percent on each barrel of oil. Refining is a boom-and-bust business, but those giant margins, if sustained, should encourage more refinery building. If Congress wants to help solve the long-term supply problem rather than just pacify angry voters, fast-tracking refinery construction is the place to start.

Boosting supply will help lower gasoline prices. But at the root of our problem is our profligate consumption relative to other countries. Gasoline use dipped slightly as prices rose last year, but we're getting back to our old guzzling ways. Demand is up 2 percent this year over last year. That's the path to a perpetual energy shortage and a warmer planet.

Congress should mandate much tougher fuel economy standards for cars and light trucks and invest more money in mass transit. The Senate Commerce Committee last month approved a bill that would raise mileage requirements by 40 percent by 2019. By 2020, that should cut projected oil consumption by 2.1 million barrels a day, roughly the amount we now import, while reducing greenhouse gas emissions significantly.

Posturing and bluster about price gouging won't accomplish much. Building more refineries, mandating higher fuel economy standards and curbing consumption will.

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