

Nancy Johnson



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Johnson Calls for Gas Tax Cut

Demands Federal Price Gouging Investigation

WASHINGTON, DC – Congresswoman Nancy Johnson today called for the suspension of the federal gas tax to help consumers facing high fuel costs. She also demanded an Inspector General's investigation into the record price spike and possible gouging at the pump.

“Consumers in Connecticut are being hit hard, and they deserve relief from the skyrocketing prices at the pump,” said Johnson, a senior member of the tax-writing Ways and Means Committee. **“This bill takes an effective axe to gas prices as we work to get the flow of oil back through the port and to restore rigs, refineries, and pipelines.”**

Johnson is a key co-sponsor of the “Gas Tax Relief Act,” a measure to temporarily suspend the \$18.4¢ per gallon federal excise tax on gasoline for 30 days. This bill would drive down gas prices at the pump almost immediately. Revenue to the highway trust fund would be replenished by general revenue. The legislation will be introduced this week.

With motorists facing a record spike in gas prices, Johnson also called on the Inspector General of the Energy Department to launch an independent investigation into possible price gouging in Connecticut and across the country.

According to AAA, drivers in Connecticut paid an average of \$3.08 per gallon for unleaded regular on Wednesday, and increase of \$1.12 from a year ago and 65¢ in the past month. In Connecticut, prices for unleaded regular have risen as high as \$3.69 per gallon.

In a letter today to Energy Secretary Samuel W. Bodman, Johnson wrote: **“While Hurricane Katrina has severely impacted gasoline production and refining capabilities, there has been growing concern, throughout my state and the country, that the recent spike in gasoline prices may reflect inappropriate and illegal price manipulation I look forward to a prompt response and report from the Department on these important issues that so impact consumers’ daily lives nationwide.”**

The Gulf Coast region is critical to our energy supply in Connecticut, and disruptions caused by the hurricane put refineries and pipelines off-line last week. The region shipped 4.5 million barrels of petroleum products per day to other parts of the country last year,

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accounting for one-fifth of national daily consumption. The region ships 3.2 million barrels of petroleum products to the East Coast each day, including 2.5 million per day via the Colonial pipeline, which restored its production to full capacity only yesterday.

“Hurricane Katrina has caused great devastation and loss to individuals and families on the Gulf Coast. It has also reduced oil and gas production and refining capacity. Between the loss of the oil rigs and port function, 11 percent of our supply has been cut off. We still do not know the full extent of the damage, but as we marshal the nation’s resources to help Gulf Coast communities recover, we must act to help all Americans facing high gas prices. Cutting the federal gas tax and cracking down price gouging will help everyone in this crisis,” Johnson concluded.

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