HOUSE ENERGY ACTION TEAM

OFFICE OF THE HOUSE REPUBLICAN WHIP

Democrat Claim: Refiners are running below normal production capacity causing a shortage in the supply of gasoline and diesel fuel in an effort to drive up the price at the pump.

Fact #1 The U.S. continues to import gasoline: Roughly 10 percent of the gasoline consumed in the U.S. is imported to meet demand. The U.S. imports approximately 1.3 million barrels per day of gasoline including blendstocks. (U.S. Energy Information Administration)

Fact #2: Refining production has increased: While there has been consolidation in the number of refiners since 1980, refining production has increased by 41 percent as refiners have expanded production at their facilities (U.S. Energy Information Administration).

Fact #3: With $4 gasoline demand is down: Refinery capacity fluctuates with supply and demand. With $4.00 per gallon gasoline and even higher diesel fuel, not surprisingly, domestic demand is down so far this year compared to last year. (U.S. Energy Information Administration).

Demand for gasoline was down 1.5% in the first quarter this year and distillate demand was down 4.5%. Even with the slower demand, refining capacity has risen from 85%-89% over the past month. Just in the past week, gasoline inventories rose by 2.9 million barrels. (U.S. Energy Information Administration).

Fact #4: Gas prices are primarily driven by the international price for crude oil: Despite ample gasoline stocks to meet America's driving needs, economic growth throughout the world continues to make supply and demand conditions in the global oil market extremely tight, keeping crude and gasoline prices high. The price of crude oil now represents 73 percent of the price consumers pay for gasoline at the pump. (U.S. Energy Information Administration)