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Western senators want refineries probed over high gasoline prices



The cost of gas in Santa Cruz, California, in late April 2012. | Jonathan Weiland/Santa Cruz Sentinel/MCT

By Kevin G. Hall | McClatchy Newspapers

WASHINGTON — Six U.S. senators from West Coast states urged the Justice Department on Tuesday to conduct a refinery-by-refinery probe to determine the causes of punishing gasoline price spikes earlier this year.

"We are requesting a Department of Justice investigation of possible market manipulation and false reporting by oil refineries, which may have created a perception of a supply shortage, when in fact the refineries were still producing," said the letter sent to Attorney General Eric Holder.

Signing the petition were Sens. Barbara Boxer and Dianne Feinstein of California, Ron Wyden and Jeff Merkley of Oregon, and Maria Cantwell and Patty Murray of Washington, all Democrats.

Their letter followed a mid-November report presented to a California state legislative committee by McCullough Research that used environmental data to show that refineries were making gasoline in May, during a period in which news reports said they were offline.

The McCullough findings, first reported by McClatchy, provoked controversy in West Coast states, where motorists were paying at least 50 cents more per gallon in May and October than motorists in the rest of the nation were. The McCullough report alleges there was production in May but stops short of the same accusation for October, the other spike period, as environmental data wasn't yet made public.

West Coast motorists were led to believe that the price spikes were tied to outages and production problems, but McCullough showed that inventories were building at a time when there were news reports, which refiners didn't dispute at the time, of possible supply shortages. That all happened as the price of crude oil, the key component needed to make gasoline, was falling.

Refiners dispute the allegations by McCullough Research and the six senators.

"The petroleum industry operates under a microscope of government regulation and provides enormous amounts of data to the appropriate state and federal agencies," said Tupper Hull, a spokesman for the Western States Petroleum Association, which represents the refiners.

"The industry has been subjected to dozens of investigations over the past 20 years, and all of them have determined that the dynamics of supply and demand are what determine the price of fuel. If the Department of Justice decides to conduct another investigation, we are confident they will reach the

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same conclusion."

Pointing to conclusions in a California Energy Commission market report, Hull added that "West Coast markets experienced real and demonstrable disruptions in supply during the summer and late fall. These unfortunate and unavoidable disruptions resulted in price spikes, which quickly abated when supplies were restored."

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 **vippy**

LOL funny! California's refineries claimed to be down for maintenance but records showed that they were fully operating and drove up the price of gas unnecessarily.

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 **dogjudge**

This won't go far. Just keep in mind that Eric Cantor promised oil speculators that Republicans would do everything in their power to prevent regulation of oil speculation.

Do I need to say anything more?

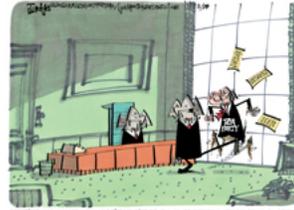
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 **ibsteve2u**, Someone who cares - to his unending regret.

The Republicans talk about "the free market"...but they're lying and they know it. It isn't a free market when great big wads of cash are accumulated by hedge funds and [investment banks](#) and then used to manipulate the crude oil and refined gasoline markets.

[And a lot of the manipulation is more blatant than that.](#)

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"BUT I THINK YOU WANTED US TO DO SOMETHING THAT WAS OPPOSED TO REFINERIES"

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**dogjudge**

Actually they want free MONOPOLISTIC markets. They truly don't want competition.

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**ibsteve2u**, Someone who cares - to his unend...

This is true...the Republicans seem to think that the American people are too stupid to comprehend that the American people get even *less* out of the private taxes levied by monopolistic corporations (albeit they call them "profit" and claim that they are "different") than they get out of the public taxes levied by government, just as the Republicans seem to think that the American people are too stupid to comprehend that there is no effective difference between Stalin's state-run industry and the industry-run state that the Republicans are forever trying to replace our democracy with.

At least public taxes go to public services and public infrastructure and are thus recycled through the economy, while the private taxes known as "profit" usually go into the pockets of the CEOs and the larger shareholders - all too often via tax avoidance schemes in the Cayman Islands et al.

That is, they are *lost* to the economy, effectively going into black holes never to be seen again. A perfect waste, thus requiring the Fed to ever print more money to replace the parasitical drain of the 1%.

Edit: And it is an awful, growing, lot of wasted, idle wealth, too...per [Professor G. William Domhoff](#):

In the United States, wealth is highly concentrated in a relatively few hands. As of 2010, the top 1% of households (the upper class) owned 35.4% of all privately held wealth

[...]

In terms of financial wealth (total net worth minus the value of one's home), the top 1% of households had an even greater share: 42.1%.

(Edited by author 1 hour ago)

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**ibsteve2u**, Someone who cares - to hi...

But **still** they all cry "Stop the Fed from printing more money!". *Still* they all cry "Cut our taxes or we won't just *not* create jobs - we'll keep exporting jobs!" - which means *they want all the money there is*.

There is no way a set that has already accumulated 42% of all of the wealth that America has and *still* isn't happy - and *still* screams bloody murder about tax rates, and *still* funds televised lie after lie after lie every election cycle - is going to stop until they have it all if the Fed stops printing money.

I guess they want to sit on a great big pile of all of America's wealth and watch the American people *die*.

I have no empathy for them. They have declared themselves the enemy of the American people unto death.

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**vippy**

Since when is free market the same as fair market, especially when they are being manipulated.

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chenzo

The cause is GREED.

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