



THE STOUFFER REPORT

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High Gas Prices: What We Can Do

Imagine running your car for \$1.99 per gallon of fuel. While this might not have seemed appealing several months ago, it sure seems like a bargain today. But we cannot find these prices with traditional sources of fuel. With gasoline prices skyrocketing, there is only so much my colleagues and I can do to ease the burden on consumers. That is why Missouri citizens and lawmakers will have to work together to find a way to escape our dependency on oil.

Missourians cannot simply play the blame game for high gas prices. There is not much governments can do to regulate market forces without creating even greater problems. The key to avoiding high gas prices and our nation's dependency on foreign oil is embracing alternative, renewable fuel sources.

E10 is a gasoline blend mixed with 10 percent ethanol, which is made from corn, and costs less than regular unleaded gasoline while providing for Missouri farmers. Any vehicle manufactured since the 1970s can run on E10. Another ethanol solution is E85. This fuel, made with 85 percent ethanol, is not compatible with all motor vehicles. However, more and more vehicles are able to run on E85. Buying a "flexible fuel vehicle" will add little or no cost to your vehicle purchase. In some cases it is standard or offered at no cost. Despite the "rural myth," I have also learned that regular engines cannot be transformed to use flexible fuels.

On Monday, August 29, E85 was \$1.99 per gallon in Marshall. Regular gas in Marshall topped \$3 the same day. By paying less in the long run and keeping our fuel supply in our backyard, Missourians can save money and support our farm families.

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Although governments can do little to force the market to offer lower prices, officials can reduce extra-market influences such as price gouging. Last week, Governor Blunt asked U.S. Attorney General Alberto Gonzales to investigate possible price gouging. We recognize that the vast majority of fuel vendors are simply trying to get by, but it is frustrating to see pump prices rise hourly when deliveries haven't been made for days.

President Bush has also released a significant amount of oil from our national reserves. Although this will have a moderate effect, because the capacity of our refineries would also have to be boosted, this effort will work to take some of the edge off the current price increases.

Not all proposed interventions will benefit Missourians. A group of legislators has proposed a gas tax holiday to temporarily eliminate the 17-cent state tax on a gallon of gas. This proposal ignores last year's mandate to improve Missouri roads, Amendment 3, and will hurt road-improvement projects. While this would provide brief relief to Missouri residents, it would also cost us needed services and infrastructure projects for nothing more than a political gimmick. Providing effective relief to our schools during this time may be a more appropriate and attainable goal.

With renewable fuels still in their early stages of production and our government almost powerless to curb the gas prices taking more and more of our income, it is up to each one of us to work to come up with solutions for the increasing cost of fueling our transportation and farming machines. As we all know, our government is not going to save us from this mess. These oil shocks will only come with increasing frequency. We have to work together to get through this, because we can no longer afford to look to others for relief.

If you have any questions or comments regarding these or any other matters, please call our office toll free at (866) 768-3987 or e-mail bstouffer@senate.mo.gov.

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