

This past week Americans traveled approximately 2 billion miles to celebrate the Thanksgiving holiday with family and loved ones. While you cannot put a price on time with family, Americans sure felt the pain of higher fuel prices at the gas pump. It is time to take an honest look at the government's direct and indirect role in inflating those prices. Taxation is the most direct way government increases Americans' cost at the pump. The national average price of gas now is well over \$3.00 per gallon now, \$4 in some areas. Federal taxes take 18.4 cents, while state and local taxes average another 28.5 cents per gallon. That's an average of 47 cents per gallon Americans are paying just for government, but that is just the tip of the iceberg. Less directly, our loose monetary policy gives taxpayers double jeopardy at the pump, simultaneously increasing prices and undermining purchasing power. Wages always lag behind price increases, making average Americans feel as though they can never quite keep up, never quite get out of debt. Not to mention the ripple effect of higher diesel costs on the trucking industry. When trucking and shipping is more expensive, everything is more expensive. The indirect costs government imposes on gas prices are much more serious. A major bottleneck that causes gas prices to surge is our very meagre and vulnerable refinery capacity due mostly to regulatory red tape. Environmental regulations and litigation have kept our existing refinery capacity barely adequate. In fact, no new refineries have been built since the 70's and these are operating at capacity, which makes our gasoline market especially vulnerable as demonstrated by skyrocketing gas prices in the aftermath of Hurricane Katrina when many coastal oil facilities were brought to a halt. In addition, many foreign refineries don't have the ability to produce the specialized blends of gasoline mandated by our government, and therefore 90% of our gasoline is refined in the United States under extreme regulatory burden. When our domestic refineries are damaged or jeopardized, there are few options other than soaring prices or long lines.

I've introduced The Affordable Gas Price Act (HR 2415) to deal with some of these issues. My bill would suspend Federal fuel taxes when prices rise above \$3.00 a gallon, giving some immediate relief at the pump. It would also repeal misguided legislation that causes more investment in attorneys and nuisance litigation than in actually producing affordable gasoline and strengthening our refining capacity. Also, it would open up ANWR for oil exploration and repeal the federal moratorium on off-shore drilling.

Much of government intervention in the oil industry in the past has been counter-productive and has resulted in disastrous unintended consequences. This Thanksgiving, I am grateful for every mile Americans can still afford to travel to be with family. I am working hard in Congress to reverse the costly trend of government interference and return markets, including oil markets, to true economic freedom.

Thank you for calling this update. A new update is placed on this number 888-322-1414 every Monday morning, the written text of which can be found on my website <http://www.house.gov/paul>

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