

Congress Wrestles with Oil Prices, Subsidies, and Speculation

Local News

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OLYMPIA, Wash. - Another congressional committee is to take up high gasoline prices today with a hearing on what is being called "excessive oil speculation."

Democrats say the Commodity Futures Trading Commission was supposed to put limits on crude oil market traders in 2010 which still haven't gone into effect.

Keith Hughes is one small business owner who says he's watching the action closely. His company, West Seattle Natural Energy, installs solar panels and water heaters. He says he doesn't think renewable energy stands a chance when the oil industry is playing high-stakes poker with futures and Congress can't seem to rein it in.

To be paying over \$4 a gallon and then to read the reports showing that these oil companies' profits have gone up 30 and 40 and 50 and 60 percent on speculation on what future prices might do is - I mean, that's just a travesty. - Keith Hughes

The hearing comes on the heels of last week's close Senate vote on a bill which could have ended tax subsidies for major oil companies and extended them for renewable-energy companies. Both Washington senators, Democrats Maria Cantwell and Patty Murray, voted in favor, but the bill didn't pass.

In the House, Rep. Doc Hastings has said more domestic drilling is key to lowering fuel prices, while fellow Republican Rep. Dave Reichert supports extending the renewable-energy tax credits that are otherwise set to expire.

Ross MacFarlane, director of business partnerships at Climate Solutions, says what's happening at the gas pump almost guarantees the fight about oil company subsidies isn't over yet.

"The good news is that it really is on the radar screen, the way that it hasn't been for any time in my memory. We've had, I think, much better understanding of the size of these subsidies and how unconscionable they really are."

[A new poll by the group Small Business Majority](#) says 73 percent of small-business owners it surveyed believe tax breaks for oil and gas companies should end, and 60 percent support the idea even if it meant another hike in gas prices. However, 10 percent strongly oppose ending the subsidies.

Today's hearing before the House Democratic Steering and Policy Committee is to begin at 2 p.m. EDT at 340 Cannon House Office Building, Washington, D.C.

Results of the poll are online at smallbusinessmajority.org.