

## DLCA Proposes Mandatory Daily Fuel Price Reporting as Lawmakers Debate Oversight

**As senators questioned whether stricter oversight is needed to address fuel price disparities, DLCA suggested a mandatory reporting system requiring gas stations to submit daily price updates.**

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The disparity in fuel prices between the territory's three main islands continues to frustrate motorists, particularly those driving in the St. Thomas/St. John district. The high price of gasoline and diesel formed part of a two-day discussion on the territory's high cost of living, a conversation led by Senate President Milton Potter in the Committee of the Whole.

The Department of Licensing and Consumer Affairs was the lead agency addressing the fuel issue. "Although logistics of getting fuel feel like they should be similar, it is important to note that currently, most of the fuel sold in the St. Croix district is held in the terminal on island, while St.

Thomas and St. John rely on smaller shipments that arrive much more frequently,” explained Natalie Hodge, DLCA commissioner. It is apparently one of the main reasons for the difference in prices between the two districts.

While DLCA is unable to influence pricing, Ms. Hodge told lawmakers that the department continues to work toward increasing communication and transparency for customers by engaging industry players where possible. Recent meetings with Sol Petroleum and Total Energy were “productive and encouraging,” reported the commissioner.

On St. Croix, Sol Petroleum provides the DLCA with “detailed pricing data” which provides “clear insight into pricing inputs that shape the fees that are paid.” In a further “commitment to transparency,” Ms. Hodge announced that Sol Petroleum has “agreed to the publishing of the rack rate... even though such a practice could negatively impact the profitability of local businesses and inadvertently encourage retailers to import fuel rather than purchasing from the local rack operator.” The rack rate refers to the wholesale price paid at the fuel distribution terminal. According to Ms. Hodge, “it was determined that public trust and transparency outweigh the risks.”

The same insight does not exist in St. Thomas/St. John, creating a “transparency gap,” Ms. Hodge said. “The lack of accessible data adds to the public's distrust, leading to assumptions that higher prices result from excessive profit margins,” she explained. Rather than retailer greed, the commissioner says delivery costs and business expenses influence the end price. However, with Sol Petroleum planning to [expand its services to St. Thomas](#), Ms. Hodge is enthusiastic that “residents and visitors on the St. Thomas/ St. John district can expect increased market competition, likely leading to a positive effect on fuel prices.”

“The distrust that the public has is legitimate. Isn't a fallacy. It isn't something made up,” remarked St. Thomas/St. John Senator Dwayne DeGraff. “It's very much concerning. It's almost like it's an emergency level. It has happened so long that we take it for granted.” With DLCA identifying that the disparity is unfair, Mr. DeGraff suggested “we need to have some kind of expediency...I think this is a top priority, because it's not only fuel that we're looking at. For one territory to have three different pricing sets for everything...something is wrong.”

Senate President Milton Potter, also a representative for the St. Thomas/St. John district, questioned whether it was time for the first branch of government to intervene in the form of “stricter oversight or more comprehensive reporting requirements for fuel distributors.” Horace Graham, DLCA’s assistant commissioner, suggested introducing a “mandatory reporting regime that fuel station owners would have to report, on a daily basis, their price.”

Even with Ms. Hodge’s assurances that the difference in prices between the districts is a consequence of “a bi-weekly price setting model and supply chain constraints,” the “transparency gap” issue on St. Thomas/St. John has lawmakers – and perhaps residents alike – unconvinced that fuel prices on their islands are influenced by extenuating circumstances and not just a desire to achieve “excessive profit margins.”