

The Virgin Islands Consortium

St. Croix Gas Stations Profiting \$40,000 Monthly At \$3.65 Per Gallon, DLCA Prepares Investigation (Update)

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With oil prices seeing [precipitous declines in recent months](#), prices at the pump on the mainland have followed suit, leading to some stateside consumers paying [as low as \\$1.49](#) per gallon.

St. Thomas, which historically sells gas at a higher price, has seen prices fall below \$3 in some locations.

Yet, even as gas station owners on St. Croix have abandoned purchasing their fuel from HOVENSA in favor of cheaper alternatives from Puerto Rico, where gas is being sold for as low as \$2.30 per gallon, prices on St. Croix have held steady at \$3.65 for regular unleaded fuel.

People in the business of selling fuel to consumers, who requested anonymity because of the sensitivity of the issue, have told *VI Consortium* that gas stations on St. Croix make a profit of more than \$1 on every gallon sold to consumers. To put that into perspective, gas station operators in Puerto Rico and the U.S. make \$0.10 on every gallon sold to consumers.

Indeed, it appears that one of the most profitable businesses in the Virgin Islands is the business of selling gas, with some stations profiting, on gasoline sales alone, \$40,000 per month on 40,000 gallons of fuel.

VI Consortium visited Department of Licensing and Consumer Affairs (DLCA) on Wednesday seeking information on whether subpoenaed gas stations had already turned in requested information to DLCA, which, according to Commissioner-designee Devin Carrington, included the receipts of bulk gas purchases made within the last six months that would aid the department in determining whether or not consumers are being overcharged.

Results of the subpoena will be made known after Feb. 13, the deadline for gas stations to submit the requested information.

"Quite frankly, when you issue a subpoena, you have to give the persons who have been issued that subpoena a reasonable amount of time to come forward with the information that you asked for in the subpoena," Carrington said. "So, they are due to have everything to us by February 13."

Carrington commented on the current situation of gas prices at most St. Croix gas stations being seemingly controlled at \$3.65 per gallon for regular unleaded fuel, making the case for a society built on capitalism and how a free market is supposed to work.

"In a free market economy, the understanding is that powerful dynamic that works in the favor of the consumer is the dynamic of competition," Carrington began. "And the competition, in this case, is for gas prices per gallon, then the consumer has options to decide where they buy the product that they desire.

"What we're seeing here is everybody at one price, leaving the consumer with no such option, and the consumer has no choice to buy from gas station A, B or C [because] they are all at the same price. It would seem to me that in a free market, the competitive dynamic works to the advantage of the consumer when gas station A decides to lower its price to \$2.75 [per gallon] and give that option to the consumer, and the consumer, [in turn], would opt to go where he can get a better bang for his buck; thereby persuading other gas stations to follow suit.

"The whole dynamic of competition is absent in our market, and that works to the detriment of the consumer," Carrington said.

While the commissioner was not explicit in stating there was price controlling taking place at St. Croix's gas stations, he was clear that the current situation does not lend itself to the workings of a free market, which will lead to the department taking steps to find out what is really going on.

VI Consortium asked an employee, family member to one of two brothers who own the Gateway gas station in Peter's Rest, when would consumers begin seeing a decrease in the price of gasoline at his establishment.

"Oil is now going back up on the market," the man said. "So our prices won't go up or down. It will remain at \$3.65 per gallon."

"Go take a picture of the [\$3.65] price," he suggested.

Update: A representative of Gateway gas station contacted *VI Consortium* to clarify earlier comments made by one of the company's employees, stating that said comments do not represent Gateway gas station or its owners.

Feature Image: Current gas prices at Gateway gas station in Peter's Rest.