The Virgin Islands Consortium

Vialet To St. Croix Gas Stations: Charge Fair Prices Or Government Will Step In

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Ernice Gilbert February 26, 2015

Freshman Sen. Kurt Vialet has been championing lower gas prices on St. Croix before he became a senator, using his Facebook page as a conduit to communicate the unfairness at the pump, as residents had continued to pay over $4 per gallon, even as gas prices were tumbling below $3 per gallon on the mainland.

So, it comes as no surprise that the senator, who chairs the Senate's Committee on Health, Hospitals and Human Services, has continued his push to see gas being sold at reasonable prices on St. Croix.

VI Consortium caught up with Vialet at the St. Croix Educational Complex on Wednesday night, where a meeting was being held to address the Alexander Henderson Elementary School health issues.

"If you read my platform from way back last year September, I think I was the first person that raised the issue when HOVENSA still had the rack, that in fact HOVENSA was overcharging us at the rack, and I then requested for Department of Licencing and Consumer Affairs to do an investigation into what was going on," Vialet said. "And I did get a response from [former] Commissioner Wayne Biggs, and I had also spoken to [Governor John de Jongh] about the price of gas, and they launched an inquiry and it didn't really go any place."

He continued: "But I did my research, and what I do know right now, the gas stations in St. Croix [are] literally charging more than a $1 per gallon mark up, so on each gallon, they're making between $1 to $1.25, and it really doesn't look good when all the gas stations have the same price."

Vialet's own investigation falls in line with what *VI Consortium* reported earlier this month, that some gas stations on St. Croix were making a profit of $40,000 on the backs of struggling consumers.

Vialet then pointed to St. Thomas, where competition is alive and well, and said he has implored DLCA's Commissioner-designee Devin Carrington to look into the matter, and to also discuss whether the department will have to issue a maximum markup per gallon.

"If you go to our sister island of St. Thomas, you could see the range of 10 to 15 cents difference," Vialet said. "Some stations are running sales where they have a one-day sale of $2.98 per gallon, so you could see the healthy competition. But on St. Croix, the prices are flat and that worries me. If we offer better gas prices, we have more disposable income."

He added: "Today again, I made the plea for designee Carrington to look into the matter and to also have a discussion as to whether or not the department is going to have to issue a maximum markup per gallon. If the stations don't want to comply, then the government will step in because I think it's unfair."

And, with St. Croix gas stations now purchasing their fuel from Puerto Rico, the local situation becomes even more glaring, Vialet said. Because in Puerto Rico, prices change regularly.

"If we really look at it from a technical standpoint, they're purchasing the gas from Puerto Rico, [where] the gas price changes every single day, and it's not reflected in our market," he said. "If you follow gas, you know one week it's up 10 cents and the next week it's down 5 cents -- there's a fluctuation. But we're seeing the same price and that's why the margin of profit sometimes could raise from $1 and then, in two or three days, according to the load that they purchased, could be $1.25 per gallon.

"So, we need to have a mechanism in place that is going to regulate that price, and especially since the price of WAPA is decreasing by 30 percent, and they were saying that is why they had such a high markup. You don't have that excuse no more. So we just need some regulation, and we need the consumers, when they go in, to begin letting the gas stations know, 'you need to lower your price.'"

At his confirmation hearing Wednesday, Commissioner-designee Carrington shared the same sentiments with Vialet, and vowed to "fight for the consumers" during his tenure as commissioner, if confirmed by the full Senate body.

Previously, Carrington told *VI Consortium* that generally, a free market lends itself to competition, which usually works in favor of consumers. However, the situation on St. Croix, he suggested, did not lend itself to the workings of capitalism, where competition rules and consumer choice dictate prices.

"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."

He continued: "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.