

The Virgin Islands Consortium

DLCA Orders Gas Stations to Stop Raising Price of Gas Before Making New Purchase; Violators to be Fined

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The Dept. of Licensing and Consumer Affairs is calling out gas stations in the territory that are raising the price of their fuel to match increased rack rate prices, even for fuel they purchased on a previous, cheaper rack rate. The action constitutes greed, suggested DLCA Commissioner Richard Evangelista in an interview with the Consortium Friday. He said DLCA, which has regulating power, does not intend to attempt price-control, however the department will use its authority to block the aforementioned practice.

"When they buy their fuel, ideally they shouldn't be raising their prices at the pump until the fuel that they bought at the previous price is exhausted," Mr. Evangelista told the Consortium Friday. "We're not in the business to close people down; we just need to know they're being honest."

Mr. Evangelista said some gas station owners have expressed to him the high cost to stay in business, including some who pay rent for the facilities sometimes as high as \$10,000 a month. The commissioner said he understands that these operations need to not only stay in business, but make a profit. "So if it's a dollar you need to make over what you make, fine, but then don't be charging no \$2 extra when you're still selling the gas you bought for a dollar," Mr. Evangelista said.

To that end, in a release issued Friday, DLCA announced the renewal of the longstanding order setting out the procedure applicable to all wholesalers and retailers fuel, including but not limited to gasoline, diesel and propane fuel in the territory as a prerequisite to increasing their fuel prices.

Accordingly, DLCA ordered the following:

ORDERED, that consistent with its continuing regulatory authority of setting out the procedures for increasing prices, effective September 20, 2019, all wholesalers of fuel, retailers of fuel and marine service stations in the United States Virgin Islands, shall only be permitted to increase their prices of fuel after submitting a written request to the Department showing the date of delivery, amount of the proposed increase, along with submission of an invoice evidencing the increased prices, and after receiving approval from same; and it is further

ORDERED, that any wholesaler or retailer of fuel wishing to further petition the Department for an increase above the amount authorized, may do so presenting invoices and other evidence justifying the proposed increased amount; and it is further

ORDERED, that additional increases shall not be permitted without the written authorization of the Department; and it is further

ORDERED, that any increase without the written authorization of the Department, shall result in a fine of Two Hundred Dollars (\$200.00) per day for such violation, and it is further

ORDERED, that any increase above the amount authorized, shall result in a fine of Two Hundred Dollars (\$200.00) per day for such violation; and it is further

ORDERED, that in the case of continued violations, the Department shall use all legal remedies available to it, including the initiation of proceedings for the revocation of the entity's business license(s); and it is further

ORDERED, that this Order shall remain in effect until lifted by order of the Commissioner.