

# Just What Is the President's Role in Current Gasoline Prices?

Biden may not set gas prices, but it's false to claim that he can't influence them

By Jason Hayes | April 2022

It's been more than a month since Russia launched its invasion of Ukraine and gas prices are still well above \$4 per gallon nationwide.

International instability plays a role in the most recent price spikes, but that does not erase the fact that the sustained increase in domestic energy prices began with President Biden's election and can be linked to his domestic energy policies.

The administration is trying to pass the buck. Biden claims he encouraged the oil and gas industry to increase production and attempts to take credit for increased production on state and private lands. But if the president were serious about reducing prices for consumers, he could do two relatively simple things.

First, ease permitting restrictions on federal lands and encourage the construction of additional pipelines across the nation. Second,

send an unequivocal signal to investors that the administration supports the abundant production of reliable domestic energy sources.

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Gasoline prices peaked at \$4.32 per gallon in mid-March, a 52% increase over the \$2.85 price consumers paid last year, and a 144% increase over the \$1.77 per gallon price Americans were paying in April 2020.

At \$4.77 per million Btu, prices for natural gas — the fuel we rely on to heat our homes, cook our food, and make most of the fertilizer we need to feed our nation — have also increased by 87% from last year's price of \$2.55 per million Btu.

Continuing high prices for these essential fuels vindicates the oil and gas industry's warnings that, in a capital-intensive industry, it can take months to mitigate the price hikes American drivers have endured.

That's because oil and gas supplies are not just sitting in a tank, ready to be used. Companies must obtain financing and permits, wells must be drilled and fracked, crude oil must be pumped out of the ground and then transported to refineries. Only then can these fuels be shipped out to markets.

In the meantime, regulatory impediments supported by the Biden administration continue to discourage financing, drilling, and pipeline construction.

And let's not forget that rising prices and restricted options have long been the goal of green energy policies. It was Biden's old boss President Barack Obama who famously argued, "We can't just drill our way to lower gas prices" and warned that electricity prices would "necessarily skyrocket" as a result of his CO2 reductions efforts.

White House press secretary Jen Psaki continued this theme last November, arguing, "The rise in gas prices over the long term makes an even stronger case for doubling down on our investment and our focus on clean energy options."

Energy Secretary Jennifer Granholm also suggested last year that driving an electric vehicle would protect drivers from the effects of cyberattacks on major pipelines. Transportation Secretary Pete Buttigieg repeated that claim to MSNBC last November, arguing that American drivers would "never have to worry about gas prices

again" if they would simply go out and purchase a \$60,000 electric vehicle.

For the Biden administration to commit to reducing fuel prices would require an admission that its core energy policies were misguided. So rather than getting government out of the way and letting domestic producers do their job, Biden sticks with his plan to "to get rid of fossil fuels" while downplaying the impacts of his weather-dependent green energy agenda.

The president claims "Russia is responsible" for rising prices and that oil and gas producers are "padding their profits." But these excuses stand in direct conflict with Biden's promises to "take responsibility" on key policy issues.

Clearly it is true that, on his own, the President does not set oil prices. But it is nonsensical to pretend that he is helpless to expand domestic energy production as a means of containing the explosion in fuel prices.

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