

Democrats blame oil companies for high fuel prices. But the facts don't back them up.

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President Joe Biden and Democratic leaders in Congress are intensifying their rhetoric [accusing oil and gas companies of anti-competitive behavior](#) contributing to skyrocketing prices at the pump for Americans.

“Over the past few days, oil prices have actually been decreasing but the price of gas at the pump has not,” Senate Majority Leader [Chuck Schumer](#) said Wednesday, announcing his chamber would call big oil and gas executives to testify on the reasons for this discrepancy although the timing is unclear.

The push is bicameral. Rep. [Frank Pallone](#) (D-N.J.), chair of the House Energy and Commerce Committee, asked six oil and gas companies Wednesday to testify before his panel and answer for keeping gasoline prices “artificially high” and increasing “their own profits.” Pallone asked the executives of BP, Chevron Corp., Devon Energy, Exxon Mobil, Pioneer Natural Resources, and Shell to testify before the committee on April 6.

Biden also [called out the issue](#) Wednesday, warning that “oil and gas companies shouldn’t pad their profits at the expense of hardworking Americans.”

But Democratic leaders’ charges of anti-competitive behavior are being met with skepticism by analysts and even some rank-and-file Democrats who note there is normally a delay between falling oil prices and movement on the gasoline front.

“Is there normally a lag between a change in [crude oil] price and the price at the pump? Yes. The energy production system is complex and has many stages in the chain and the volatility of the price per barrel has been huge in recent weeks,” Sen. [Chris Coons](#) (D-Del.), who is close to Biden, told POLITICO.

Senate Energy Committee Chair [Joe Manchin](#) of West Virginia, a major oil and gas producing state, also expressed skepticism to reporters.

“I have no problem bringing [oil executives] in to basically explain how the process works...we can all understand it a little better, rather than beating people up who are expected to provide the energy we need,” Manchin said Wednesday.

To fend off Republican attacks over rising inflation across the economy, Democrats have sought to blame high gasoline prices — which are particularly visible to voters — on outside factors rather than their own policies.

“They are grasping at straws,” Sen. [John Barrasso](#) of Wyoming, top Republican of the Senate Energy Committee, told POLITICO. “They know the American people are disgusted with the way Democrats are refusing to allow American energy to be produced.”

Biden, after banning U.S. imports of Russian oil and petroleum products last week, moved to deflect responsibility for anticipated higher prices that would result from his policies, labeling a potential increase “Putin’s price hike.”

The price for Brent crude oil, the global benchmark, fell below \$100 on Wednesday after getting close to \$140 a barrel after Russia first invaded Ukraine a few weeks ago. Average gas prices, though, are still near record-highs at \$4.30 a gallon, [according to AAA](#). It is unclear how long the pricing lag will last.

Kevin Book, managing director of ClearView Energy Partners, a research firm, said the divergence between oil and gasoline prices can be explained by three factors: seasonality, refinery outages, and the number of refined products companies have in inventory, or storage.

While it's true global oil prices are the main determinant of retail fuel prices, Book said history doesn't show that a decline in the crude futures market changes pump prices right away.

"It doesn't necessarily mean manipulation or gouging," Book said. "Oil prices go up and down. Gasoline prices do as well. They don't always do it together. We are at a point of low inventories, seasonal changeover, and refining constraints, so it's not likely they are going to move in lockstep right now."

Democrats argue oil companies should eat any cost associated with lowering gasoline prices more quickly in line with oil price drops, given the extreme pinch U.S. drivers are experiencing.

Context: Even before Russian President Vladimir Putin's war on Ukraine, the White House in November had called on the Federal Trade Commission to [investigate whether fuel manufacturers were keeping fuel prices artificially high](#).

Gasoline prices were already trending higher in the fall of 2021 as fuel demand picked up faster than new oil supply could come back online from the pandemic.

"The one thing the 'Putin price hike' and the allegations of anti-competitive behavior have in common is they say, 'not my fault,'" Book said.

Biden and Democrats are pinning high energy prices on oil and gas companies even as they use more accommodating language to push for the industry to [boost its production in the short term to help lower prices](#). The mixed messaging follows months of Democrats being at logger-heads with fossil fuel interests over Biden's aggressive climate agenda to reduce the economy's reliance on oil and gas.