



The Daily Dish

Biden and Gas Prices

DOUGLAS HOLTZ-EAKIN | APRIL 27, 2022

Gasoline prices have become a major source of economic pain for Americans and political pain for the Biden Administration. Not surprisingly, this has spurred the White House to be busy, busy, busy trying to turn down the political heat. (See the chart below.)

The fun began May 28 of last year, when [according](#) to the White House gas prices had reached the “pain point” – roughly \$3.00 per gallon – and Press Secretary Jen Psaki announced that the president was opposed to any increase in the federal gas tax.

Gas prices kept rising.

On November 17, the president sent a [letter](#) to the Federal Trade Commission asking it to examine whether oil and gas companies were illegally keeping gas prices high.

Gas prices kept rising.

Less than a week later (November 23), the president [announced](#) a 50-million-barrel release from the Strategic Petroleum Reserve (SPR). Sorta. It was actually an “exchange” of 32 million barrels and an acceleration of the sale of 18 million barrels that had been used to pay for a piece of 2018 legislation. No real new supply.

Gas prices kept rising.

This year political pressure to address gas prices increased, and on March 1, 2022, the administration [announced](#) an SPR sale of 30 million barrels as part of a coordinated international release.

Gas prices kept rising.

By the end of the month, the heat was really on and President Biden [announced](#) an emergency sale of 1 million barrels a day, totaling 160 million barrels. Shortly thereafter, he also announced a resumption of offshore [lease sales](#). Of course, he also shaved off 80 percent of the acreage that the industry had requested and hiked the royalty by 50 percent – the first hike in history

To be fair, gas prices moderated modestly toward the end of April, but remain above \$4.00 a gallon. Since the start of the Biden Administration, gas prices are up over 80 percent. This record of futility drives home the basic economics of the situation: Either admit you want gas (and other carbon-based fuel) prices higher and sell it politically on the merits, or take some real, permanent action on domestic production that stands a chance of increasing supply enough to reduce gas prices.

The Biden Administration has done neither.

BIDEN ADMINISTRATION ACTIONS AND GASOLINE PRICES



