

House Republican Press Release

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Press Office: 860-240-8700

Rep. Stripp Supports Efforts to Ban Zone Pricing of Gasoline



HARTFORD – State Rep. John Stripp announced he is supporting an effort to revive a bill to ban zone pricing of gasoline. HB-5498, *An Act Prohibiting Gasoline Zone Pricing* was voted down in the Legislature’s General Law Committee. The legislation would prohibit zone pricing based on geographic location. Due to zone pricing,

Fairfield County communities pay up to 50 cents per gallon more for gas than other regions of the state.

"Zone pricing is a form of price fixing. The industry [monopoly](#) and the ability to control not only industry-owned "corporate" stations, but locally owned or [franchise](#) stations, make zone pricing into an excuse to raise gasoline prices virtually at will," said Rep. Stripp.

These firms charge different wholesale prices for the same brand and grade of gasoline - particularly involving fuel sold to franchise stations - in different parts of the state. Higher prices, sometimes varying by 20 cents to 30 cents per gallon, may be applied depending on whether a region has many competing stations or just a few which means the customer pays about four dollars more per fill-up.

The goal of the price control is to maximize profit, according to the Stamford-based Gasoline and Automotive Dealers Association of America, which says it has identified more than 55 different price zones within Connecticut alone. Price zones are not established by law. Instead, gasoline suppliers determine their own price zones. They may establish as many or as few as they determine best suits their needs. It is a way of setting the wholesale price.

"I am fighting for every customer and the small businessman and woman here in Connecticut. This legislation will eliminate price discrimination by major oil companies and increase competition, which will lower prices to consumers." said Rep. Stripp.

In January of 2007, Governor Jodi Rell’s unveiled an energy plan calling for a two-year ban on zone pricing of gasoline as one of the many energy proposals for Connecticut.

In addition, Rep. John Stripp supports Governor M. Jodi Rell’s recent call asking U.S. Secretary of Energy Samuel W. Bodman for a thorough investigation on the recent

national surge in gasoline prices. The wholesale price of gasoline in Connecticut has increased from \$1.31 per gallon to \$1.94 per gallon between January 18 and March 2 – an increase of 63 cents, or 48 percent for no apparent reason.