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Lawmaker digs for details of gas price study

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A state lawmaker from Stamford is urging three Quinnipiac University professors who conducted a study about gasoline zone pricing to discuss their research and back up their conclusions.

State Rep. William Tong, D-Stamford, said he is disappointed because the professors rejected several requests to hand over the data they used earlier this year in the study, which was funded by the oil industry and concluded that a ban on zone pricing would hike prices at pumps everywhere in Connecticut except lower Fairfield County.

The study, which did not specify how a ban would affect gasoline prices, was part of a push by the oil industry to kill a bill that would have ended zone pricing. The study influenced some lawmakers to vote against the bill, which failed.

A television or radio discussion with the professors would be the best way to explain the causes and effects of zone pricing, a practice in which oil companies charge different wholesale prices to gas stations based on their address, Tong said.

"I'm not wedded to a specific format," he said. "Let's just sit down and have a discussion where they back up their conclusions. If they feel good about their conclusions, then this shouldn't be a problem."

The three business professors - Christopher Ball, Mark Gius and Matthew Rafferty - submitted testimony to the legislature's General Law Committee about their study earlier this year. Last week, they said they don't know when they will be able to respond to Tong's latest request.

"They had ample opportunity to question us when we testified before the legislature," Gius said.

Because it's the middle of the semester, the professors won't have time to discuss the study again before the end of the year, Ball said.

The study cited reports by the Federal Trade Commission and concluded that if a zone pricing ban were implemented, the lowest prices in the state would increase 5 cents to 10 cents, and the highest prices



would go down or stay the same.

Based on economic theory and the FTC report, the professors said a universal wholesale cost probably would not be the lowest or the highest. It would fall in the middle, which is why prices would fall in lower Fairfield County but rise elsewhere, they said.

Tong has said the study is "junk science" and does not appear to consider all the factors that contribute to the large discrepancies in gas prices.

Zone pricing is a reason that gas in lower Fairfield County costs 15 cents to 20 cents a gallon more than the state average. A ban on zone pricing would allow retailers to buy their gasoline at the "rack price" - the cost of fuel before fees are added by the distributors and oil companies.

The American Petroleum Institute, a Washington, D.C., lobbying group, paid the professors \$40,000 to conduct the study. The professors have refused to give out their data because the financial information they used was confidential, they said. The oil companies ordered them to delete it because it could reveal pricing policy to competitors, Ball said in a hearing earlier this year.

Tong said he understands the professors are busy, but because their answers have been "evasive," he said he'll push for a public discussion.

"I will wait until after the semester is over," Tong said. "I'm going to keep going until we get a real answer."

During the legislative session, many lawmakers pushed for a ban on zone pricing, saying the practice limits competition and drives up prices in several parts of the state. State Attorney General Richard Blumenthal said a ban would be good for consumers, and Gov. M. Jodi Rell said she would support a two-year trial ban.

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