



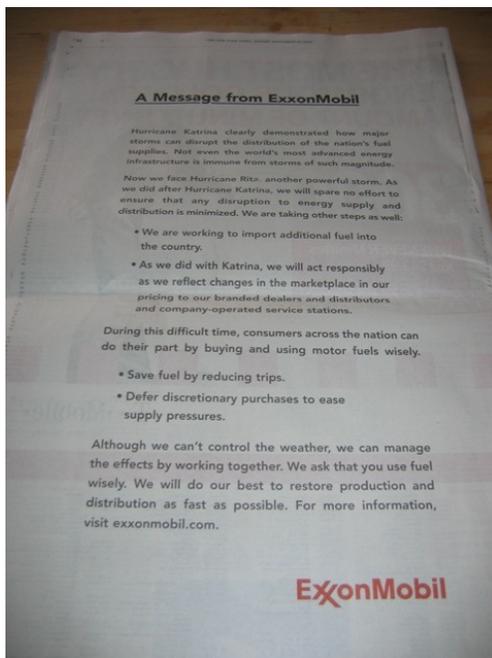
## ExxonMobil: Protecting themselves from the inevitable

Posted by [Yankee](#) on September 25, 2005 - 2:48pm

Topic: [Supply/Production](#)

This weekend, ExxonMobil is taking out full-page ads in major newspapers (read the [full text here](#) in PDF format). It looks like they're trying to protect themselves from accusations of price gouging (again):

As we did with Katrina, we will act responsibly as we reflect changes in the marketplace in our pricing to our branded dealers and distributors and company-operated service stations.



(New York Times, p. A32)

Also, aside from apologizing for the fact that they can't do much to protect their infrastructure from storms as powerful as Katrina and Rita, they also ask the consumer to act more wisely. Of course, they treat their request as something temporary, not as a move that would make for a smart lifestyle change:

During this difficult time, consumers across the nation can do their part by buying and using motor fuels wisely.

- Save fuel by reducing trips.
- Defer discretionary purchases to ease supply pressures.

In previous posts, we've [tried](#) to [show](#) (with varying degrees of success and agreement) that the oil companies themselves are not the most direct cause of high prices at the pump following events like Katrina and Rita. This [Slate article](#) (hat tip: Halfin) explains in detail what role the refiners play in driving up the prices. Yet, here ExxonMobil is trying to shield themselves from new cries of price gouging "by the oil companies" and new governmental investigations into why the prices are so high. Is it going to help? Are other companies going to follow suit with their own PR campaigns?

Fortunately, it seems like some people might be catching on. This [editorial in the Fort Worth Star-Telegram](#) (login: jjdoe221122@yahoo.com, pword: jjdoe221122) does a good job explaining that prices are high right now simply because demand was already tight, and got tighter after the hurricanes damaged energy infrastructure. Of course, the author, an economist at the University of North Texas, goes on to argue that we should provide economic incentives to increase refinery production in the US, and also to explore Alaska. Sigh. Well, our job now is to figure out the best ways to apply the lessons from Katrina and Rita to educate people about what the ramifications of Peak Oil will be.

Technorati Tags: [peak oil](#), [oil](#), [Hurricane Rita](#), [Hurricane Katrina](#), [gas prices](#)



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).