

# **GASBANKUSA™ NEWSLETTER**

**Lock in a Fixed Price for Gas & SAVE!™**

## **Traffic Deaths Around the Country are Plummeting due to Gas Prices**

Rising prices at the gas pump appear to be having at least one positive effect: Traffic deaths around the country are plummeting, just as they did during the Arab oil embargo three decades ago. Researchers with the National Safety Council report a 9 percent drop in motor vehicle deaths overall through May compared with the first five months of last year, including a drop of 18 percent in March and 14 percent in April.

Preliminary figures obtained show that some states have reported declines of 20 percent or more. Thirty-one states have seen declines of at least 10 percent, and eight states have reported an increase. No one can say definitively why road fatalities are falling, but it is happening as Americans cut back sharply on driving because of record-high gas prices. The federal government reported that miles traveled fell 1.8 percent in April compared with a year earlier, continuing a trend that began in November.

The last time road deaths fell this fast and this sharply was during the Arab oil embargo in 1973-1974, when fatalities tumbled 17 percent.

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## **An Inside Look at Gas Prices**

Oil prices fell nearly \$4 per barrel Wednesday, continuing a downward slide and tumbling below \$125 a barrel for the first time since early June. Crude for September delivery dropped \$3.98 to settle at \$124.44 a barrel on the New York Mercantile Exchange. The August contract expired Tuesday at \$127.95.

At the gas pump, prices have declined, but not as fast as consumers would like. A gallon of regular dropped more than a penny to an average of \$4.026 nationwide.

A strengthening dollar further pressured oil prices. The dollar's decline has been a major factor in oil's rapid ascent over the past year, as investors bought dollar denominated crude contracts as a hedge against inflation and a weakening U.S. currency. But when the dollar strengthens, that currency-related buying can unwind.

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## **Are High Gas Prices Helping the Obama Campaign?**

It probably cannot be debated that economic turmoil in general helps the Democratic candidate, but gas prices carry a particular symbolic weight that may reframe the issue in ways favorable to the Republican.

There are the specific remedies that McCain has proposed: a reduction in the gas tax and a relaxation of the moratorium on offshore drilling. The former is a mixed bag electorally. Obama did an admirable job of arguing the issue in the primaries, but the latter is probably worth something to McCain. Offshore drilling polls well, and while the Obama campaign has some good arguments to make about its lack of connection to near term gas prices, it has not really been devoting sufficient bandwidth to the economy to make them.

Secondly, while both candidates have placed some attention to the inexorably linked issues of climate change and energy security, for McCain the emphasis has been energy security / climate change, whereas for Obama it has been climate change / energy security. High gas prices may reduce the public's tolerance for seeing reductions in greenhouse gases as a moral and generational imperative (and a long-run economic imperative) and instead favor a more pragmatic approach that purports to lower gas prices first and ask questions later.

Thirdly, in what is arguably a reversal from the usual Democratic / Republican positions, Obama has run a far more optimistic campaign and that messaging may go over less well when people are grumpy about what they're paying at the pump.

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### **See What We Think and Share Your Comments at the GasBankUSA Blog**

We're blogging all sorts of topics related to GasBankUSA, gasoline and oil prices at <http://www.gasbankusa.com/blog/> and we hope you will contribute your insight and opinions for the GasBankUSA community.

#### **What is GasBankUSA?**

GasBankUSA is our idea that allows consumers to lock in the price of gasoline. We are in the process of filing for regulatory approvals and once those approvals are in place, we will contact you with all of the details you will need to make an informed decision if GasBankUSA is the right choice for you. Read more about the GasBankUSA concept at <http://www.gasbankusa.com>.

If you think our idea is interesting, please share it with your friends.

Please feel free to contact us with your questions or comments. You can email us at [info@gasbankusa.com](mailto:info@gasbankusa.com).

Thanks for reading our newsletter,

The Team at GasBankUSA

LAST AAA NATIONAL FUEL PRICE: **\$4.026**

PRICE CHANGE:  **\$.016**

% CHANGE:  **.396%**