

# Consumers resigned to high fuel prices

## Service agencies hit; taxi firm goes smaller

BY JAMES HAGGERTY  
STAFF WRITER

Consumers are resigned to gas price spikes, but the impact still affects their lives, said Ken Santarelli, manager of the Santarelli family's stations in Peckville and Mayfield.

"People are not complaining that you are ripping them off," said Mr. Santarelli. "People are complaining that, 'I can't pay for food, medicine and gas.'"

Prices will increase about 3 cents today at the Peckville and Mayfield stations, he said. The stations charged \$3.85 on Wednesday.

Some gas-price related behavioral change impacts

the County of Lackawanna Transit System. COLTS has seen an increase in bus ridership since February, executive director Bob Fiume said.

"Once gas hits \$4, I think we'll really start to see the difference," he said. The agency budgeted for potential fuel increases, Mr. Fiume said, so no temporary fare increase is anticipated to offset rising fuel bills.

Higher gas costs, though, have an impact on Meals on Wheels of Northeastern Pennsylvania, which relies on volunteers to deliver food to homebound seniors.

"This is starting to hurt," said Linda Steier, executive director. "This is going to be

awful, the cost to the agency." Meals on Wheels reimburses volunteers for a portion of their gas costs, but rising fuel expenses are taking a toll on the agency's budget, Ms. Steier said.

"We'll ask the community to help offset the increase in gas prices for the volunteers," she said.

Meanwhile, the high gas prices led taxi business owner Robbie Burgit to buy a fleet of new fuel-efficient vehicles.

Mr. Burgit, owner of Burgit City Taxi in Wilkes-Barre, purchased four new white Kia cars, and he will get six more the first week of May and three more in the fall.

The four-cylinder Kias get better gas mileage than his 12 older vehicles. He is replacing his older vehicles — including 2003 to 2005 Chevrolet Impalas and Venture vans — with the new Kias.

Many factors contribute to rising prices, said Andrew Reed, an oil markets expert at Energy Security Analysis near Boston.

"The uncertainty in the broader Middle East region is really bumping up crude oil prices," he said, in reference to popular uprisings and regime changes. "We've got a prolonged disruption of Libyan exports."

Other factors include the lingering weakness of the dollar against other currencies, rising international demand for oil and the soar-

ing futures price of gold, which topped \$1,500 an ounce this week for the first time.

Libya is a key source of oil for Europe, Mr. Reed said, and skyrocketing fuel prices in Europe ripple throughout international markets.

Gas prices may peak this month, Mr. Reed said, but will remain high because of continued turmoil in the oil-producing Middle East.

"I would tentatively say that prices will soften a bit later in the driving season, once we pass the Fourth of July," he said. "But prices won't soften by much."

During the gas price stampede of 2008, about half of U.S. consumers consolidated shopping trips to cut fuel consumption, almost one-third modified vacation plans and

about 25 percent found alternative means of transportation, such as car pooling and mass transit, said David Portatatin, an analyst who tracks gas purchases at convenience stores for the NPD Group, a Long Island-based consumer research firm.

Gasoline sales in March nationwide were down 1.2 percent from the same period in 2010, so high prices already are altering activity, he said.

"People will begin to make incremental changes in behavior that affect demand," Mr. Portatatin said.

"Consumers can cut spending elsewhere, fund gas purchases on revolving credit or they can cut back on their gas."

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