



Enjoying Record Low Gas Prices? Thank a Fracker!

Of the estimated 44 million Americans who will travel over the upcoming Independence Day holiday weekend (a record, by the way), 37.5 million of them will drive to their destinations. Along the way they will not only spend [nearly a dollar a gallon less for gas](#) than they have over the last 10 years on average, they will spend less on gas than any Independence Day since AAA has been keeping records. In addition, this will be the first time in nearly two decades that they will be spending less for gas in July than they did in January. On average over the last decade gas prices have been 47 cents a gallon *higher* on the Fourth of July than on New Year's Day.



Consumers are always the ultimate beneficiaries of improved technologies, as producers are motivated to bring costs down to improve their profitability. But competition forces those producers to continue their quest, with their consumers enjoying the fruits of their technological improvements. It's a concept with which that vanishing cartel called the Organization of the Petroleum Exporting Countries (OPEC) isn't familiar. There was a time when the cartel had enough influence through its monopolistic advantage to influence gas prices in America. That was the time of the "double nickel" (federally mandated 55 mph speed limits on the country's superhighways), long lines of frustrated consumers waiting at the gas station to fill up, odd/even days (based on the last digit of their license plate numbers) on when they could fill up, the so-called "daylight savings time" scam sold as a way to cut energy costs, and so on.

Those days are long gone, and the only ones hurting now are members of OPEC, who are running out of patience waiting for the latest "production cut agreement" to take hold in order to force prices higher.

They are going to have a long wait. As recently as 2010, American energy producers were pumping around five million barrels of crude oil a day. Today that number is over nine million, and is expected to top 10 million next year. From there, no one is making estimates. That's because the fracking revolution — the horizontal drilling for miles into the oil-rich shale deposits that were always there, and the "fracking" protocol mixing sand, water, and a few lubricating chemicals that allows those shale deposits to be extracted profitably — is pushing gas prices down and could put OPEC out of business.

There's also the Trump revolution, which, despite determined resistance and sabotage from angry Democrats and totalitarians who were counting on Hillary to complete the transformation of America into another socialist state, is bringing jobs back to the country and common sense to the Supreme Court. The stock market is on a tear, reflecting continued investor confidence in the future. And consumer confidence, according to the Conference Board's latest numbers, is soaring. June's numbers were not only ahead of May's, but ahead of most prognosticators trying unsuccessfully to keep up.

For instance, the Conference Board reported on Tuesday that the number of those saying business



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conditions are “good” increased from May to June; the number of those saying business conditions are “bad” decreased; the number of those stating that jobs are plentiful rose; and those stating that jobs are “hard to get” decreased. Also, the proportion of those expecting more jobs in the months ahead increased; and best of all, the percentage of consumers expecting an improvement in their incomes rose as well.

Said Lynn Franco, Director of Economic Indicators at The Conference Board: “Consumers’ assessment of current conditions improved to a nearly 16-year high.... Overall, consumers anticipate the economy will continue expanding in the months ahead.”

The decline in gas prices is an instant, tax-free, and substantial (and to some, unexpected) bonus. Multiply those 37.5 million people driving over the Independence Day weekend by the number of fill-ups, and one comes up with a savings (a tax-free bonus) in the billions. When drivers are filling up this weekend, they can be thankful not only for America’s independence but also for the frackers who are providing them the lower gas prices along the way.

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