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Networks Turned on Oil Companies After EPA Declared Itself Innocent on Midwestern Gas Price Hikes

Changing the Subject to Big Oil-Bashing

For most people, higher gas prices are a nuisance. For TV reporters they're an opportunity for hyperbole and finger-pointing. "All across America these days, a fill-up can seem more like a stickup," announced CBS's Cynthia Bowers on the June 7 *Evening News*. "Drivers in Chicago feel their pockets are really being picked."

"Helping fuel the rise, new EPA guidelines went into effect last week requiring 16 cities with poor air quality to sell cleaner-burning reformulated gas," reported Bowers. "It costs more to refine and, with supplies tight, prices are soaring."

Three weeks ago, that was also common knowledge in Chicago and Milwaukee, where it cost more than \$2.00 a gallon for a government-mandated cocktail of gasoline and ethanol not sold anywhere else in the U.S. But rather than face the music, the Clinton administration began promoting the idea that the higher prices were really an oil company scheme to rip-off consumers.

"These prices that are currently out at the pumps are not acceptable, and that is why we want to meet with the oil industry to determine what are the causes of this," the EPA's Robert Perciasepe told CBS's Bowers on June 9.

While oil industry officials continued to protest their innocence in soundbites, reporters stopped suggesting that regulations were to blame and started looking for government to find the real culprits. "The EPA suspects price gouging," ABC's Dean Reynolds warned on June 12, "and agents were out looking for it today." In the same vein, "The White House has now put the oil industry on notice," stated CBS's Bob Orr on June 12. "If any evidence of price gouging surfaces, regulators will come down hard."

From June 1 to June 12, four stories on the ABC, CBS, CNN and NBC evening newscasts spent more than 30 seconds discussing the EPA's rules as a probable cause. From June 13 to June 26, only two such stories appeared, compared with 16 that promoted the idea that "price

gouging" was at fault.

The assumption that business, not government, was to blame for motorists' misery took hold at all of the networks. "Who are the gougers?" wondered ABC's Bob Jamieson on June 21. "Gasoline station operators say they are not. The oil companies say they are not. It is now up to the Federal Trade Commission to decide who's telling the truth."

Who needs an investigation? According to Jerry Taylor, director of natural resource studies at the Cato Institute, "We know exactly who's responsible for these prices."

"[The Clean Air Act] forces refiners to dedicate their facilities to distilling one kind of gasoline or the other. It's very costly and time consuming to retool refineries...so

it's extremely difficult for refiners to react quickly to shortages. Today, gasoline supplies in the Midwest are about 25 percent below normal, and refineries are having a hard time making up the difference," Taylor wrote on June 22. "Hence, the price increase." That's what Bowers and most other journalists were reporting before the EPA offered up its unproven "price gouging" theory.

Should reporters have been so accepting of the Clinton administration's version of events? "Al Gore's best shot at being elected President is to have people think the economy is in wonderful shape," argued ABC's Cokie Roberts on June 20. "One Democratic Congressman said to me today, 'This administration has got to turn over every stone to fix this.'" Maybe someone should ask whether the investigation of Big Oil is really a political fix-it job.

— Rich Noyes, Director
MRC's Free Market Project

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