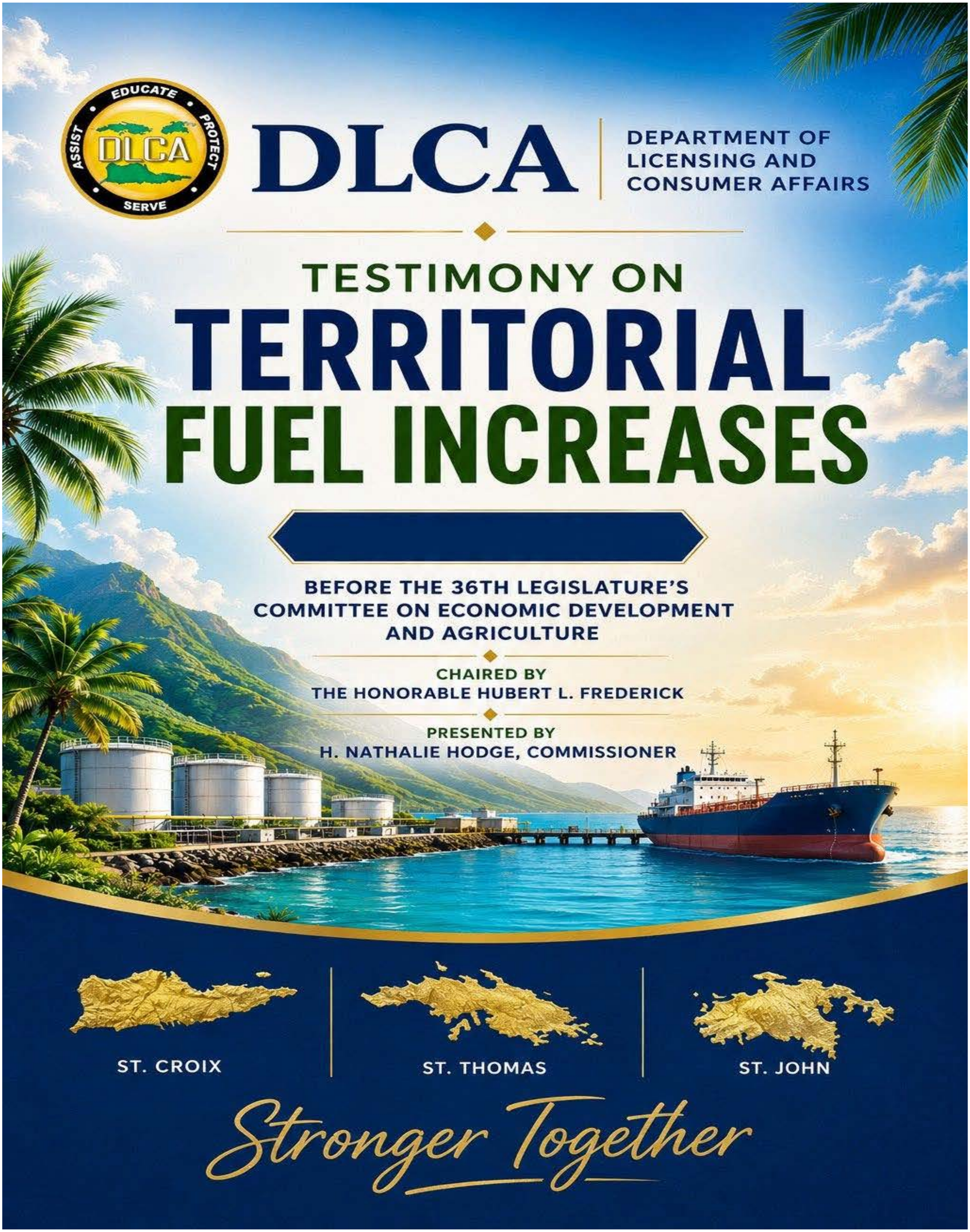
EDUCATE
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DLCA
DEPARTMENT OF
LICENSING AND
CONSUMER AFFAIRS
TESTIMONY ON
TERRITORIAL
FUEL INCREASES
BEFORE THE 36TH LEGISLATURE'S
COMMITTEE ON ECONOMIC DEVELOPMENT
AND AGRICULTURE
CHAIRED BY
THE HONORABLE HUBERT L. FREDERICK
PRESENTED BY
H. NATHALIE HODGE, COMMISSIONER
ST. CROIX
ST. THOMAS
ST. JOHN
Stronger Together

Good day, Honorable Senator Hubert L. Frederick, Chair of the Committee on Economic Development and Agriculture, distinguished members of the 36th Legislature of the Virgin Islands, and members of the listening and viewing audience.

My name is Horace Graham, Jr., Assistant Commissioner of the Department of Licensing and Consumer Affairs. I appear today on behalf of Commissioner H. Nathalie Hodge. I am accompanied by Akil Brathwaite, Director, Consumer affairs and Kyle Pierson, Chief Weights and Measures Inspector.

The Department is grateful for the opportunity to address the Committee on the increase in gas prices throughout the Territory. We will seek to address the factors driving those increases, their impact on residents and businesses, the Department's oversight and enforcement efforts, our ongoing investigation, and recommendations for the Committee's consideration. We will also place the Territory's fuel prices in national context, because that comparison is essential to understanding both the magnitude and the distinctive nature of the economic burden faced by Virgin Islands consumers.

Fuel pricing is not only a transportation issue. It affects the cost of food, construction materials, marine transportation, utility services, emergency response, tourism operations, freight delivery, and the overall cost of living. When fuel prices rise, every sector of the Virgin Islands economy feels the impact — families, small businesses, senior citizens, taxi operators, contractors, fishermen, cargo carriers, and government operations alike.

The Department's review supports the following preliminary observations. Fuel prices increased throughout the Territory during the review period, driven significantly by the geopolitical conflict that began on February 28, 2026. Wholesale fuel prices increased substantially during the spring of 2026, and retail prices generally followed wholesale market movements. However, retail price increases exceeded wholesale increases in all major fuel categories reviewed, a disparity that warrants the careful examination the Department has undertaken through its subpoena-based investigation.

Diesel fuel experienced the greatest upward pressure across the Territory. St. Croix maintained the lowest average fuel prices but recorded the largest percentage increases in regular and premium gasoline. St. Thomas experienced comparatively smaller gasoline increases but a significant diesel increase. St. John experienced the most pronounced diesel increase of any district, consistent with its smaller market size and dependence on marine transportation.

Critically, when Virgin Islands retail prices are measured against current national averages, the Territory's consumers are paying substantially more at the pump than their mainland counterparts.

The Department has not concluded that any retailer engaged in unlawful pricing conduct. The investigation remains ongoing and is designed to determine whether the observed price levels and increases are fully explained by legitimate cost factors.

The Department has also successfully defended its investigative authority before the Superior Court of the Virgin Islands and obtained enforcement of administrative subpoenas necessary to complete this review. The Court's ruling affirmed DLCA's authority to investigate pricing practices, compel the production of business records, and obtain information necessary to carry out its consumer protection responsibilities.

As a result, the Department is now positioned to complete one of the most comprehensive fuel pricing reviews undertaken in the Territory in recent years.

DLCA'S LEGAL AUTHORITY AND MARKET OVERSIGHT ROLE

The Department operates under Title 3, Chapter 16 of the Virgin Islands Code and administers consumer protection services under Title 12A, including the Consumer Protection Law of 1973 and the Price Controls Act under Title 11, Chapter 17. DLCA's oversight tools include the authority under 3 V.I.C. § 272 and 12A V.I.C. § 155a to conduct investigations, request records, and issue administrative subpoenas to evaluate pricing practices affecting consumers.

Under current non-emergency conditions, DLCA does not possess general authority to set retail fuel prices or impose mandatory profit margins. Our primary role is market monitoring, consumer transparency, investigation, and reporting to policymakers. The Department's most direct authority to freeze fuel prices arises under 23 V.I.C. § 1005(g)(10) when the Governor declares a state of emergency, at which point the Commissioner may freeze prices at pre-emergency levels. Outside of that framework, DLCA functions as a market watchdog and transparency agency.

One important structural constraint is worth noting. The agreement governing Ocean Point Terminal, formerly known as Limetree Bay Rack, contractually limits rack prices to the United States Gulf Coast Spot Price plus ten percent. DLCA monitors adherence to this contractual ceiling as part of its oversight responsibilities.

DLCA'S WEEKLY FUEL SURVEYS

DLCA conducts weekly fuel surveys across all three islands to provide consumers with current, comparable fuel pricing information. These surveys are conducted by Department staff — not outsourced — despite limited resources. Results are published on the DLCA website at dlca.vi.gov and across our social media platforms, including LinkedIn, X (formerly Twitter), Facebook, and Instagram. These surveys are transparency tools, not price controls. They empower consumers to compare prices, support media reporting on market conditions, and provide the Department with a real-time data baseline for identifying pricing anomalies over time.

MARKET CONTEXT: GEOPOLITICAL FACTORS AND NATIONAL PRICE TRENDS

On February 28, 2026, the United States and Israel launched coordinated airstrikes against Iran, targeting military, government, and strategic sites. Iran responded with missile and drone attacks, leading to a broader regional conflict and the closure of the Strait of Hormuz — a vital waterway through which a substantial share of the world's oil supply passes. These events set off one of the most significant fuel price surges the United States has seen since 2022.

According to the American Automobile Association (AAA), the national average price for a gallon of regular gasoline stood at $2.98 on February 26, 2026. Within five weeks of the conflict's onset, the national average had crossed $4.00 per gallon for the first time since August 2022. The national average peaked at $4.55 per gallon on May 21, 2026, representing an increase of approximately 53 percent from the pre-conflict baseline. As of June 4, 2026, the national average had moderated to $4.28 per gallon, as markets responded to diplomatic signals and some easing of crude oil futures, though prices remain substantially elevated relative to the pre-conflict period.

For diesel fuel, the national price trajectory was even more pronounced. According to the U.S. Energy Information Administration (EIA), the national average for on-highway diesel rose sharply through April and May, reaching $5.64 per gallon in early May before beginning a gradual decline. By the week of June 8, 2026, the national average diesel price had fallen to $5.21 per gallon — still nearly $1.68 per gallon above where it stood before the conflict began.

These national trends provide essential context for understanding fuel price behavior in the U.S. Virgin Islands. The Virgin Islands, however, does not benefit from the same supply infrastructure and competitive market conditions that help temper price increases on the mainland. The Territory depends entirely on imported fuel, has no domestic crude production, and lacks an operating refinery. Air and sea transportation add to the cost of every gallon delivered here. As the data below will demonstrate, the impact of global market disruptions is felt more severely in the Virgin Islands than in most mainland communities.

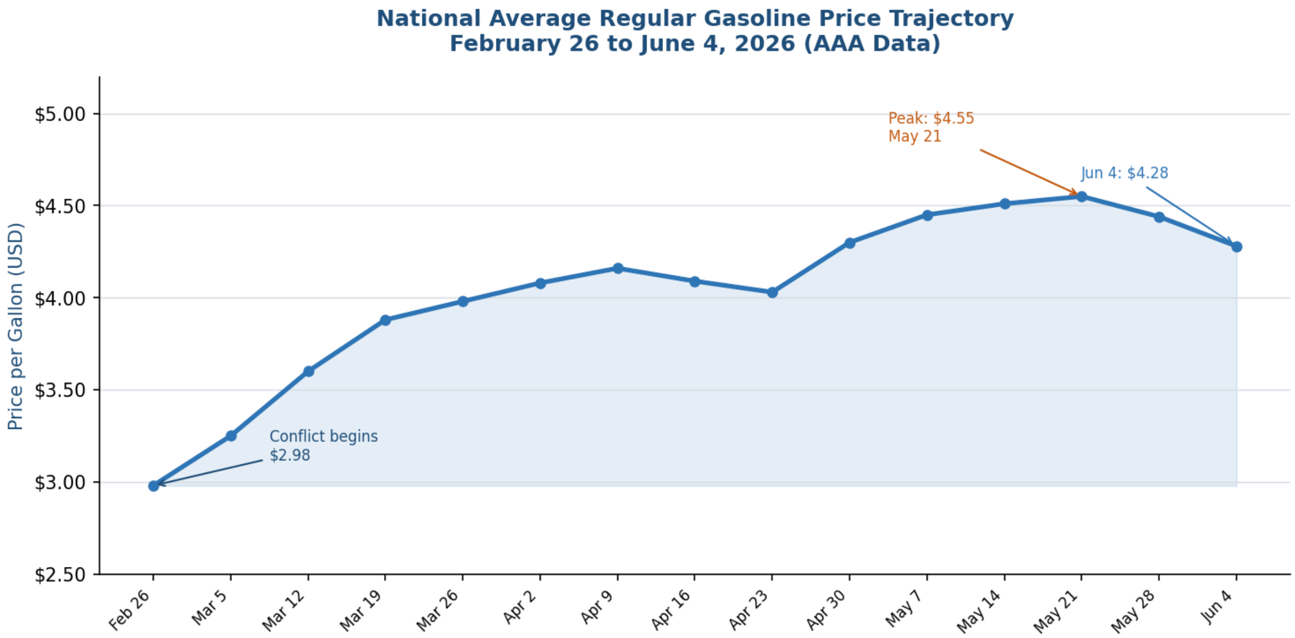

Figure 1. National Average Regular Gasoline Price Trajectory, February 26 – June 4, 2026 (Source: AAA)

PRE-CONFLICT BASELINE: USVI VERSUS THE NATION

Before the conflict began, Virgin Islands fuel prices were already significantly higher than the national average — a structural reality that reflects the Territory's geographic isolation, its dependence on imported fuel, and the limited economies of scale available in a small island market.

On February 17, 2026, approximately ten days before the conflict's onset, the Territory-wide average price for regular gasoline was $4.23 per gallon, compared to the national average of approximately $2.94. That gap of roughly $1.29 per gallon reflects the persistent structural premium that Virgin Islands consumers have long paid. The island-by-island breakdown of pre-conflict baseline prices was as follows:

Island	Regular (Avg)	Premium (Avg)	Diesel (Avg)
St. Croix	$3.77	$4.12	$4.44
St. Thomas	$4.78	$5.34	$5.89
St. John	$4.50	$4.65	$4.77

Even at baseline, St. Thomas and St. John consumers were paying more per gallon of regular gasoline than the national average would reach at its peak during the conflict. This underscores the depth of the structural pricing challenge facing the Territory and the importance of a strong investigative posture and longer-term market reform.

WHOLESALE FUEL PRICE TRENDS

The Department reviewed wholesale fuel pricing data, including SOL Petroleum wholesale pricing for St. Croix. Between March 17 and April 28, 2026, wholesale prices increased sharply across all fuel categories, reflecting the transmission of global crude oil price increases into the regional supply chain. By early June, wholesale prices had moderated somewhat but remained substantially above pre-conflict levels.

Fuel Type	Mar 17, 2026	Apr 28, 2026	Jun 2, 2026	Change (Mar–Jun)
Regular	$3.41	$3.77	$3.54	+$0.13 / +3.8%
Premium	$3.52	$3.90	$3.78	+$0.26 / +7.4%
Diesel	$4.27	$4.76	$4.46	+$0.19 / +4.4%

The pattern of peak-and-partial-moderation in wholesale prices mirrors the national crude oil market trajectory, where prices surged in April before easing as diplomatic and ceasefire signals emerged. Wholesale diesel registered the largest dollar increase at peak and has moderated more slowly than gasoline, a pattern consistent with national trends observed by EIA.

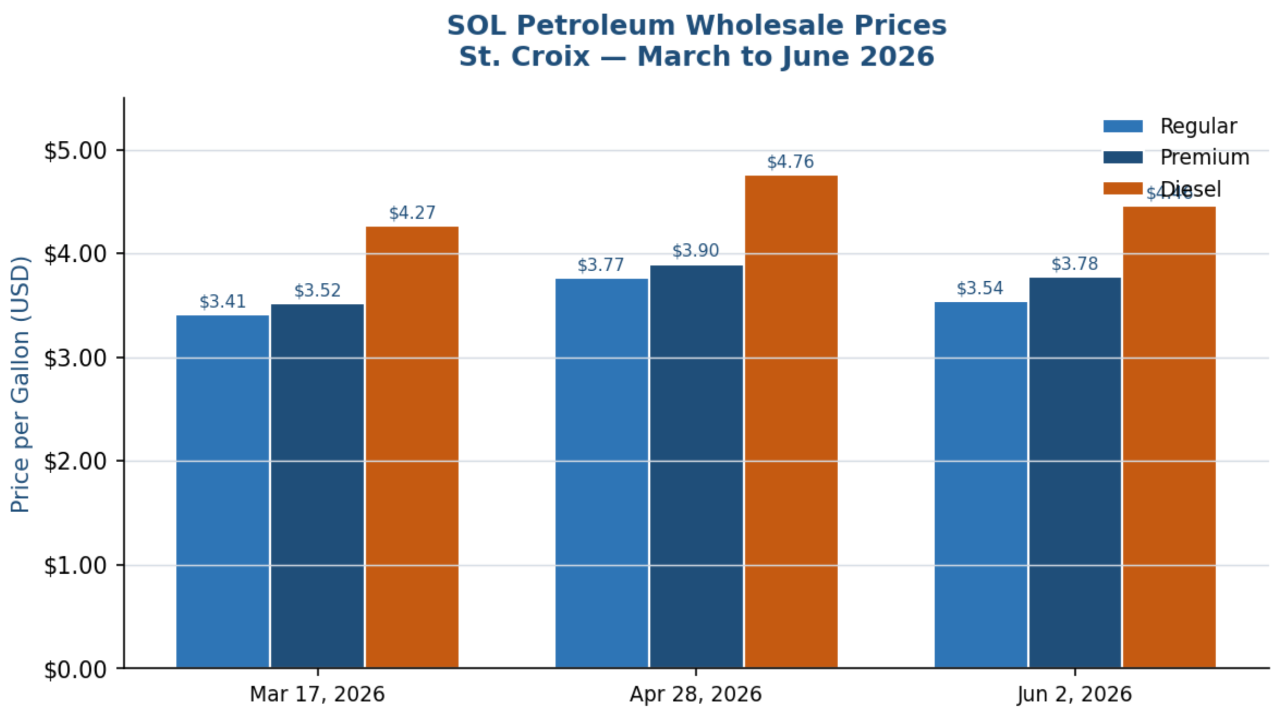

Figure 2. SOL Petroleum Wholesale Prices — March to June 2026

RETAIL FUEL PRICE TRENDS — TERRITORY-WIDE

Using February 17, 2026, as the pre-conflict baseline and the week of June 2, 2026, as the most recent data point, Territory-wide average retail prices increased as follows:

Fuel Type	Feb 17, 2026 (Baseline)	Jun 2, 2026 (Current)	Dollar Increase	Percent Increase
Regular	$4.23	$5.11	+$0.88	20.9%
Premium	$4.66	$5.52	+$0.86	18.4%
Diesel	$4.93	$6.20	+$1.27	25.7%

Diesel fuel showed the largest dollar increase and presents the most economically consequential concern, as diesel is a core input for freight transportation, construction, marine operations, food distribution, standby power generation, and other essential commercial activities. A sustained increase in diesel prices exerts upward pressure on the cost of food, building materials, household goods, and essential services throughout the Territory.

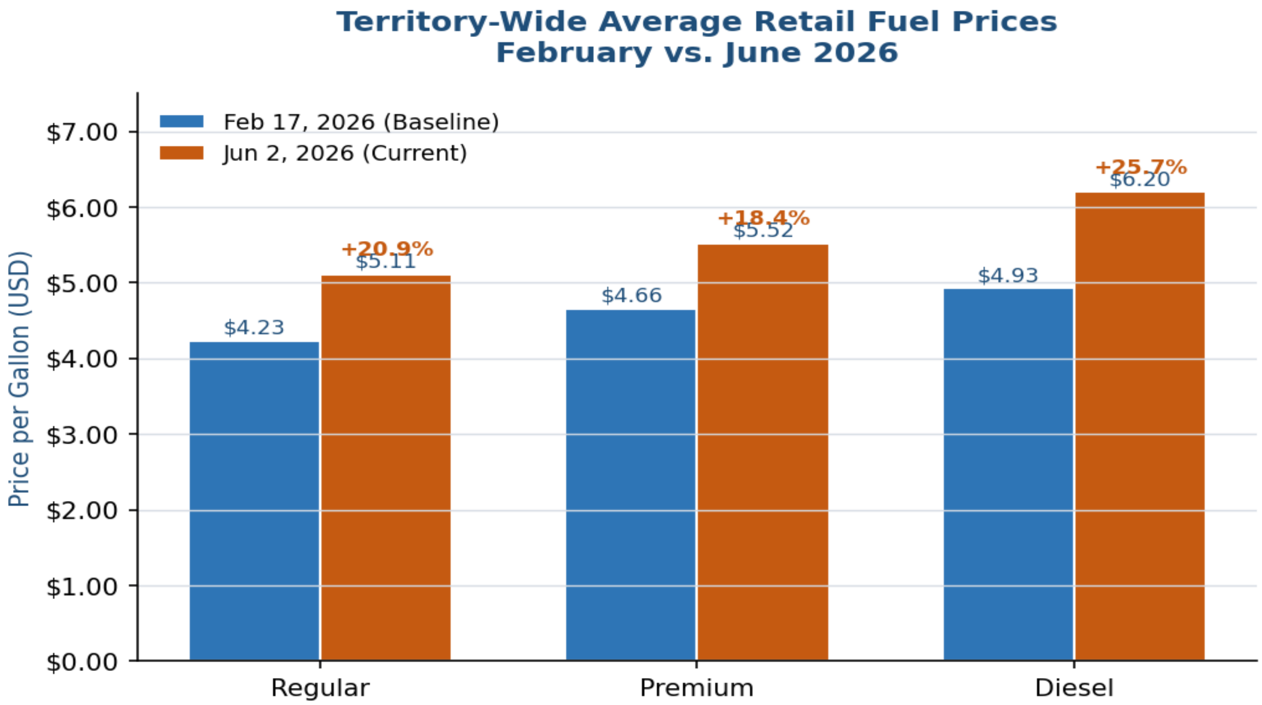

Figure 3. Territory-Wide Average Retail Fuel Prices — February vs. June 2026

USVI FUEL PRICES IN NATIONAL CONTEXT

Placing the Territory's current fuel prices alongside national averages is essential to conveying the full economic burden faced by Virgin Islands consumers and businesses.

As of early June 2026, the national average for regular gasoline stood at approximately $4.28 per gallon, according to AAA. The Territory-wide average for regular gasoline on June 2, 2026, was $5.11 per gallon — approximately $0.83, or 19.4 percent, above the national average. For diesel, the comparison is even more striking. The national average for on-highway diesel as of the week of June 8, 2026, was $5.21 per gallon, according to EIA. The Territory-wide average diesel price was $6.20 per gallon — approximately $0.99, or 19.0 percent, above the national average.

This comparison is particularly sobering when viewed against the pre-conflict baseline. Before the conflict began, the national average for regular gasoline was approximately $2.94 per gallon. Since then, the national average has increased by approximately 45.6 percent to $4.28 per gallon. The Territory-wide average for regular gasoline increased by approximately 20.9 percent over the same period, from $4.23 to $5.11 per gallon. The percentage increase in the USVI was therefore lower than the national percentage increase, which may seem counterintuitive. However, that comparison obscures the more important reality: Virgin Islands consumers were already paying nearly $1.29 per gallon more than mainland consumers before the conflict began. They continue to pay substantially more today.

The differential pricing burden is not a new phenomenon. It reflects the structural cost of insularity: the Territory has no domestic crude production, no operating refinery, no pipeline access, and relies on ocean freight for every gallon of fuel consumed. When global prices rise, the Territory absorbs the same wholesale increases as mainland markets, but does so from a baseline that is already significantly elevated by transportation costs, limited market competition, and smaller economies of scale.

Metric	National Average (Jun 2026)	USVI Average (Jun 2, 2026)	USVI Premium Above National
Regular Gasoline	$4.28	$5.11	+$0.83 / +19.4%
Diesel Fuel	$5.21	$6.20	+$0.99 / +19.0%

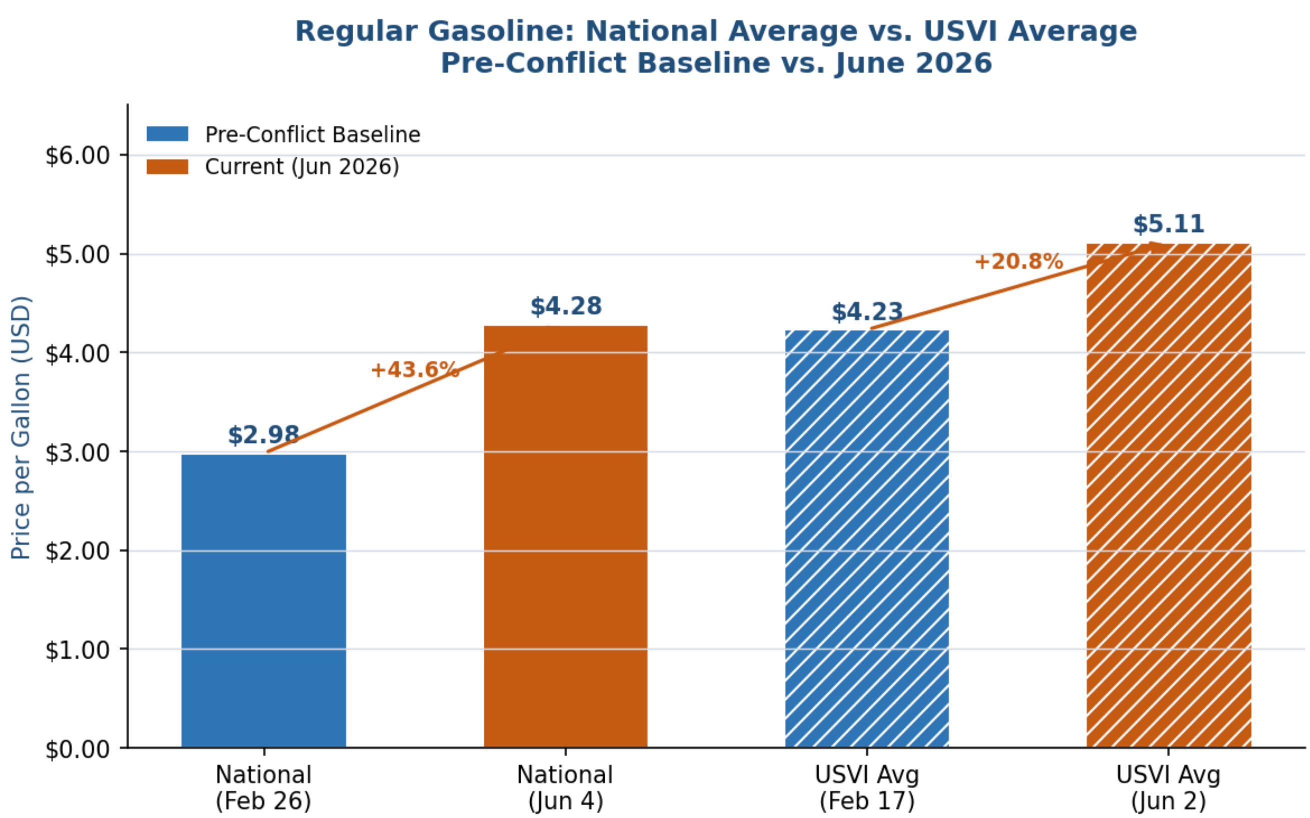

Figure 4. Regular Gasoline: National Average vs. USVI Average — Pre-Conflict Baseline and June 2026

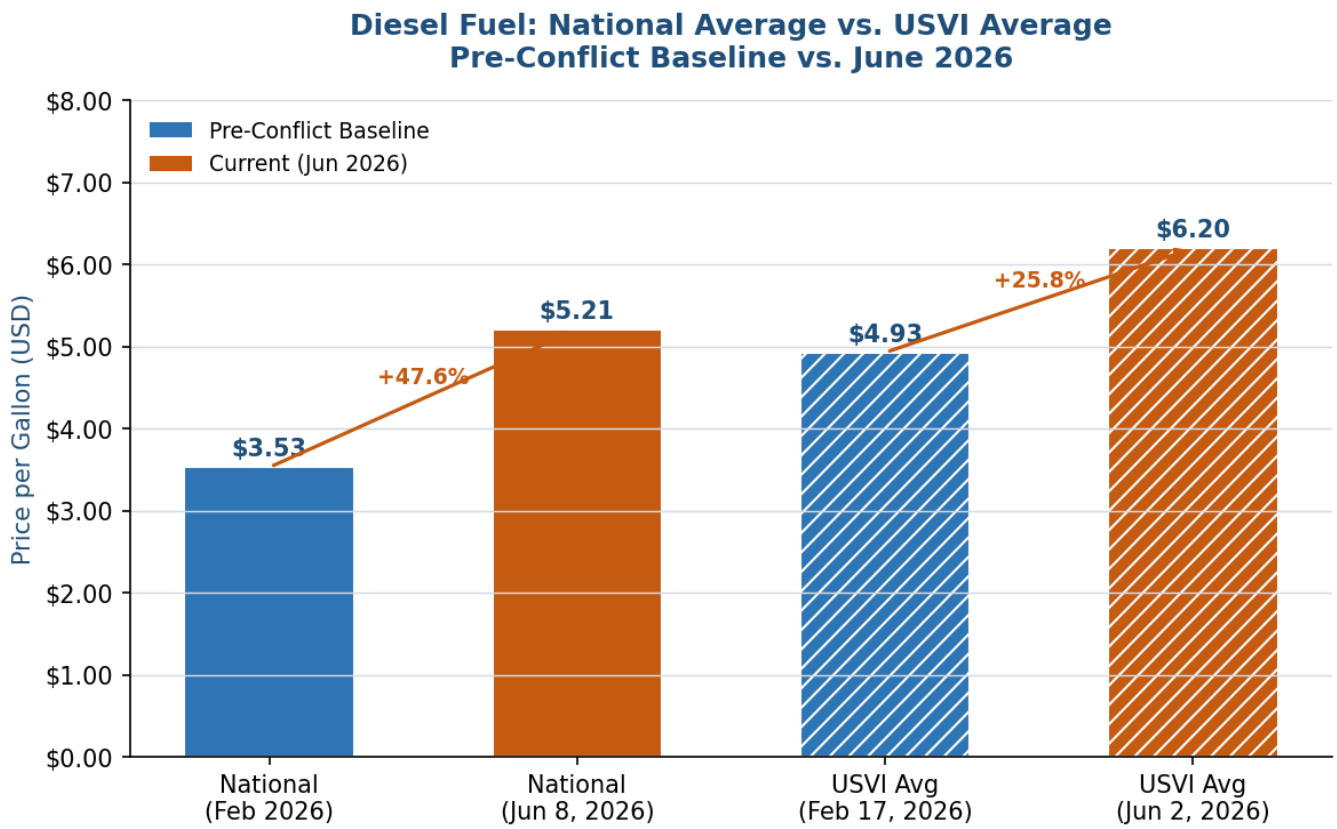

Figure 5. Diesel Fuel: National Average vs. USVI Average — Pre-Conflict Baseline and June 2026

It is also worth noting that among the highest-priced jurisdictions nationally, Hawaii and California regularly report the most expensive gasoline in the United States, with California averaging approximately $5.98 per gallon and Hawaii approximately $5.63 per gallon as of early June 2026. That the Territory's average of $5.11 per gallon falls between these high-cost mainland jurisdictions and the national average illustrates that Virgin Islands consumers are not alone in bearing elevated fuel costs due to geographic isolation — but it also confirms that the Territory's pricing burden is among the most significant in the entire country.

WHOLESALE VERSUS RETAIL PRICE MOVEMENTS

One of the most significant observations from the Department's review is that retail fuel price increases exceeded wholesale fuel acquisition cost increases across all fuel categories. Between March 17 and June 2, 2026, wholesale regular gasoline increased by approximately 3.8 percent at the supplier level. Over the same period — measured from the February 17 pre-conflict baseline to June 2 — Territory-wide retail regular gasoline increased by 20.9 percent. For diesel, wholesale prices increased by 4.4 percent from March 17 to June 2, while Territory-wide retail diesel increased by 25.7 percent from the February baseline.

Fuel Type	Wholesale Increase (Mar–Jun)	Retail Increase (Territory-Wide)
Regular	10.6% (Mar 17 to Apr 28 peak)	20.9% (Feb baseline to Jun 2)
Premium	10.8% (Mar 17 to Apr 28 peak)	18.4% (Feb baseline to Jun 2)
Diesel	11.5% (Mar 17 to Apr 28 peak)	25.7% (Feb baseline to Jun 2)

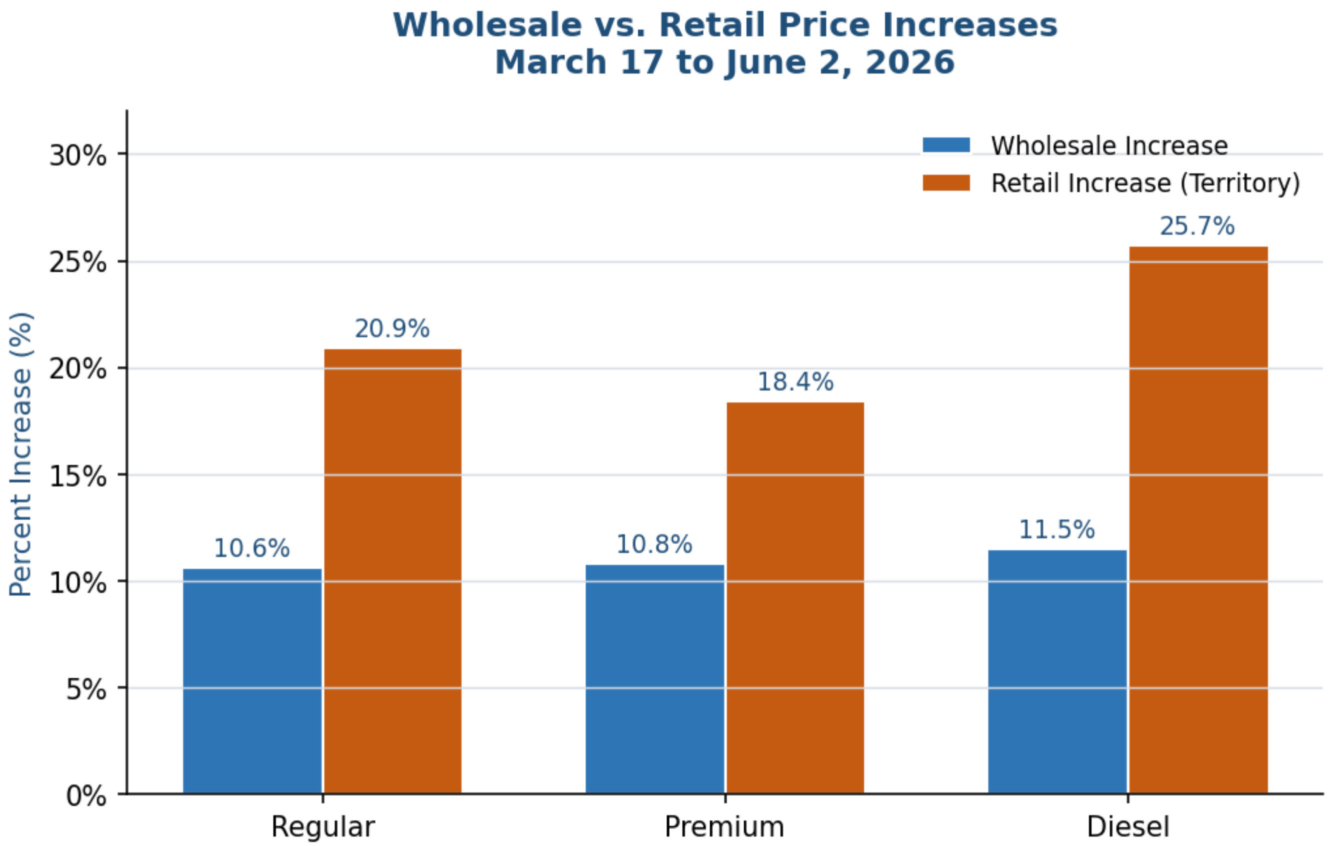

Figure 6. Wholesale vs. Retail Percent Increases — March to June 2026

The Department emphasizes that this observation does not constitute an accusation of wrongdoing. Wholesale acquisition cost is only one component of retail fuel pricing. Retail prices are also affected by marine freight and transportation charges, storage and inventory costs, labor, insurance, and utility costs, equipment maintenance, lease and financing obligations, environmental compliance, credit card processing fees, market size, competitive conditions, and sales volume. The fact that retail prices increased more than wholesale prices does not by itself establish improper conduct. However, it does justify the careful review that DLCA has undertaken through its subpoena-based investigation.

ISLAND-BY-ISLAND RETAIL ANALYSIS

A. St. Croix

St. Croix generally maintained the lowest average retail fuel prices in the Territory throughout the review period. This reflects the island's competitive advantages: the presence of a local fuel wholesaler in SOL Petroleum, fuel storage and distribution infrastructure, and a larger number of competing retailers. However, St. Croix also recorded the largest percentage increases in regular and premium gasoline of any district, with regular gasoline rising 31.1 percent from the February baseline.

Fuel Type	Feb 17, 2026	Jun 2, 2026	Dollar Increase	% Increase
Regular	$3.77	$4.95	+$1.17	31.1%
Premium	$4.12	$5.28	+$1.17	28.3%
Diesel	$4.44	$5.71	+$1.27	28.7%

Despite recording the largest percentage increases, St. Croix retail prices remain the most affordable in the Territory, and the current average of $4.95 for regular gasoline, while still elevated relative to the national average of $4.28, represents the lowest retail price available to any Virgin Islands motorist. The percentage increases on St. Croix exceed corresponding wholesale increases, which the Department's investigation is examining through its review of operating cost data submitted under subpoena.

B. St. Thomas

St. Thomas experienced comparatively smaller increases in regular and premium gasoline than the other islands, with those categories tracking wholesale increases more closely. However, diesel increased substantially — rising 19.3 percent from the February baseline to reach $7.01 per gallon by June 2. This is a concern of particular importance given St. Thomas's reliance on commercial transportation, trucking, marine operations, and the delivery of goods to and throughout the island.

Fuel Type	Feb 17, 2026	Jun 2, 2026	Dollar Increase	% Increase
Regular	$4.78	$5.30	+$0.52	10.9%
Premium	$5.34	$5.82	+$0.49	9.1%
Diesel	$5.88	$7.01	+$1.14	19.3%

St. Thomas diesel at $7.01 per gallon stands $1.80, or 34.5 percent, above the national average of $5.21 per gallon. That differential is not new, but its magnitude is significant and illustrates why DLCA's investigation of diesel pricing on St. Thomas is a priority.

C. St. John

St. John recorded moderate gasoline increases but the most pronounced diesel increase among the three districts, with diesel rising 36.4 percent from $4.77 per gallon in February to $6.51 per gallon as of June 2. St. John's market is smaller, more dependent on marine transportation for the delivery of all goods and fuel, and more exposed to logistical costs than either St. Thomas or St. Croix. Those structural factors help explain higher price sensitivity. Nevertheless, the magnitude of the diesel increase warrants continued review.

Fuel Type	Feb 17, 2026	Jun 2, 2026	Dollar Increase	% Increase
Regular	$4.50	$5.33	+$0.93	21.0%
Premium	$4.65	$5.50	+$0.94	20.5%
Diesel	$4.77	$6.51	+$1.74	36.4%

D. District Comparison Summary

Island	Regular %	Premium %	Diesel %	Key Observation
St. Croix	31.1%	28.3%	28.7%	Lowest overall prices; largest gasoline % increases
St. Thomas	10.9%	9.1%	19.3%	Gasoline tracked wholesale; diesel rose sharply
St. John	21.0%	20.5%	36.4%	Largest diesel increase; logistics-sensitive market
Territory	20.9%	18.4%	25.7%	Diesel is the most significant cost concern

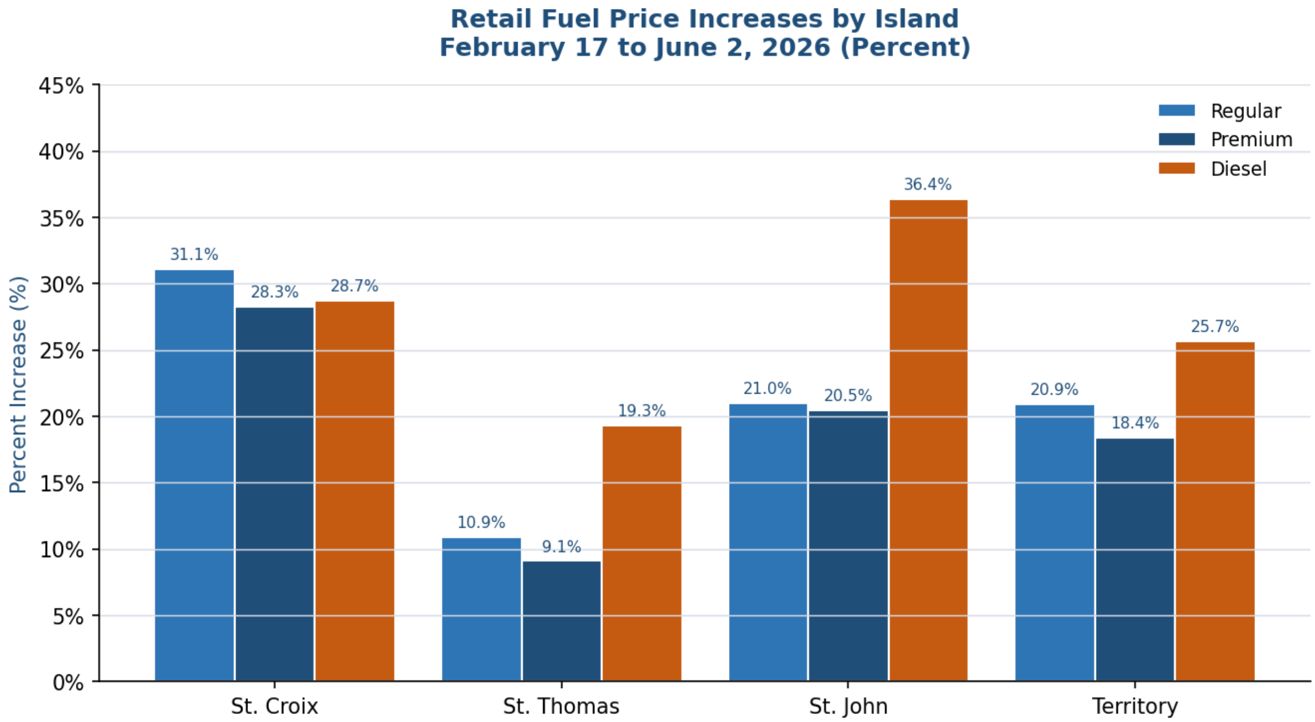

Figure 7. Retail Fuel Price Increases by Island — February 17 to June 2, 2026

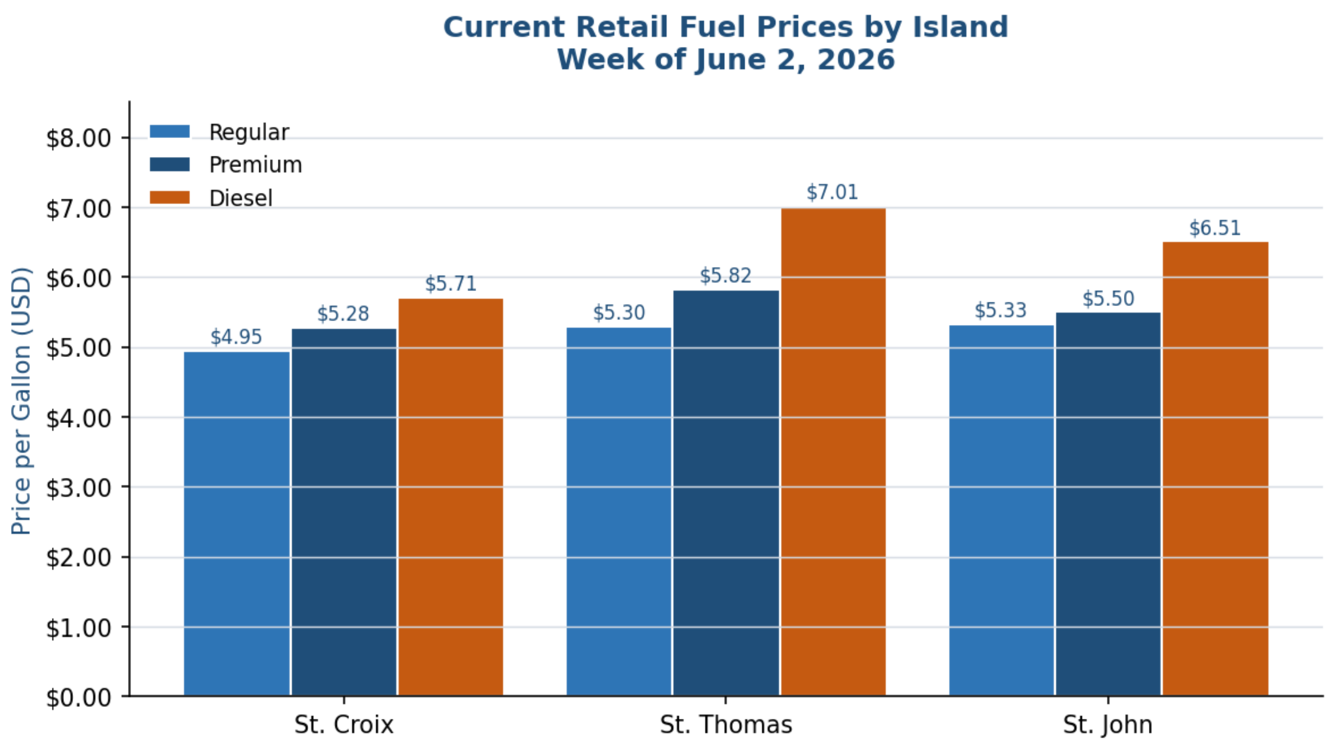

Figure 8. Current Retail Fuel Prices by Island — Week of June 2, 2026

IMPACT ON RESIDENTS AND BUSINESSES

Fuel price increases affect Virgin Islands consumers in multiple direct and indirect ways. For individual households, higher fuel prices increase commuting costs, school transportation expenses, medical travel costs, and general daily living expenses. For households that rely on generators during power outages — a frequent reality in the Territory — diesel price increases also translate directly into higher electricity costs during outage periods.

For businesses, higher fuel prices elevate operating costs across virtually every sector. Retailers face higher delivery charges. Contractors face higher equipment and hauling costs. Taxi and transportation operators face margin compression. Restaurants and grocers experience higher food distribution costs. The fishing industry, which depends on diesel for vessel operations, faces reduced profitability and, in some cases, reduced viability.

Diesel price increases are of particular economic concern because diesel powers freight transportation, marine vessels, construction equipment, standby generators, and commercial delivery networks throughout the Territory. A sustained increase in diesel prices exerts upward pressure on food prices, building materials, household goods, and essential services, cascading through the entire economy and falling most heavily on those residents least able to absorb the additional cost.

The comparison to national averages makes this burden concrete. A St. Thomas consumer filling a 15-gallon tank with regular gasoline today pays approximately $79.50, compared to approximately $64.20 at the national average. A contractor fueling a diesel vehicle on St. Thomas pays approximately $105.15 for a 15-gallon fill, compared to approximately $78.15 at the national average. These are not abstract price differentials — they represent real money that Virgin Islands residents and businesses cannot spend on other goods, services, or savings.

DLCA’S FUEL PRICING INVESTIGATION

Recognizing the economic significance of fuel price increases and the disparity between wholesale and retail price movements, DLCA initiated a territory-wide fuel pricing investigation. Administrative subpoenas were issued to fuel retailers and marinas across all three islands — 23 locations on St. Thomas, 29 on St. Croix, and 3 on St. John, for a total of 55 subpoenaed locations. The subpoenas requested retail sales records, historical pump prices, wholesale purchase invoices, transportation and delivery costs, operating expenses, labor and utility costs, lease payments, profit and loss statements, pricing methodologies, tax records, and compliance filings. The purpose is to determine whether retail fuel prices reasonably correspond to wholesale acquisition costs, transportation expenses, operating costs, and other legitimate market factors — or whether any pricing practice warrants further administrative, civil, or legislative action.

SUBPOENA COMPLIANCE AND COURT ENFORCEMENT

While many fuel retailers cooperated with the Department’s subpoenas, several did not fully comply. The Department referred non-compliant businesses to the Department of Justice for enforcement assistance. The Department of Justice initiated enforcement actions, and the Superior Court of the Virgin Islands subsequently granted DLCA’s Petition for Enforcement of Administrative Subpoena. In its Memorandum Opinion and Order dated March 23, 2026, the Court affirmed DLCA’s authority to investigate pricing practices, compel the production of business records relevant to consumer protection investigations, and require the production of records necessary to carry out its statutory mandate. The Court also rejected constitutional challenges raised against the subpoenas.

This ruling is significant not only because it affirms DLCA's investigative authority, but because it directly benefits Virgin Islands consumers. Consumers cannot evaluate whether fuel prices are reasonable without access to the information underlying those prices. The Court's decision ensures that fuel retailers must provide records necessary for the Department to examine wholesale acquisition costs, transportation expenses, operating costs, and pricing methodologies.

In practical terms, the ruling prevents businesses from withholding information needed to determine whether fuel prices are justified by legitimate business costs. It strengthens transparency, accountability, and consumer confidence in the marketplace.

The Department proactively initiated its investigation, exercised its statutory authority, and successfully defended that authority before the Superior Court. As a result, the Department is now positioned to complete the most comprehensive fuel pricing review undertaken in the Territory in recent years.

STATUS OF THE INVESTIGATION AND WHAT REMAINS UNDER REVIEW

Based on the data reviewed to date, the Department can state the following. Fuel prices increased throughout the Territory. Wholesale fuel prices increased significantly during the spring of 2026. Retail prices generally followed wholesale market movements, but retail increases exceeded wholesale increases in all fuel categories reviewed. Diesel fuel experienced the greatest price pressure. No final determination has been made regarding the reasonableness or lawfulness of any individual retailer's pricing decisions.

The Department continues to evaluate whether retail price increases are fully explained by wholesale acquisition costs, transportation charges, storage costs, and operating expenses; whether competitive conditions differ meaningfully by island; whether diesel pricing on St. Thomas and St. John reflects unique logistical pressures; and whether any pricing practice warrants additional administrative, civil, or legislative action. The Department is also evaluating whether additional statutory authority is needed to improve fuel market transparency on an ongoing basis.

The Department is receiving much of the outstanding records sought through its subpoena process and is actively reviewing those materials. The next phase of the review includes detailed analysis of wholesale acquisition costs, transportation expenses, operational costs, and pricing methodologies.

Barring unforeseen delays associated with additional document production or supplemental requests, the Department through its consultants anticipates completing its review and issuing some preliminary findings within approximately ninety (90) days.

COST-OF-LIVING ANALYSIS

The Department is also conducting a second-phase cost-of-living analysis, following up on a study completed in 2016, through a grant award from the Office of Management and Budget. The contract, valued at up to $150,000, engages Analysis Group, an independent economic consulting firm. Fuel pricing is a core variable in this study because fuel costs affect transportation, shipping, utilities, food distribution, construction, and the final cost of goods and services across the Territory. The fuel pricing investigation and the cost-of-living analysis are complementary efforts that will collectively provide policymakers with a stronger factual foundation for evaluating future consumer protection and market transparency measures.

RECOMMENDATIONS

The Department respectfully offers the following recommendations for the Committee's consideration.

With respect to fuel market transparency, the Legislature may wish to consider requiring periodic reporting of non-proprietary fuel market data, including wholesale acquisition costs, transportation expenses, fuel volumes, and market trends. Such reporting would improve market transparency, assist DLCA in monitoring fuel pricing, and provide policymakers with better information regarding the factors that influence retail fuel costs. Any reporting framework should protect confidential business information while ensuring meaningful public accountability.

The Legislature may consider funding an annual fuel market report through the University of the VI or BER that evaluates fuel prices, market concentration, supply chain vulnerabilities, and consumer impacts across the Territory. Such a report would give the Legislature and the public a consistent, evidence-based record of market conditions over time.

The Department recommends continued support for cost-of-living analysis through the University of the Virgin Islands an BER. Fuel costs affect the price of food, housing, construction, and transportation, and their cascading effects on the Territory's overall cost structure deserve sustained analytical attention.

The Department recognizes that transparency alone may not reduce fuel prices. Transparency is a tool that improves understanding of market conditions and enables policymakers to identify the factors contributing to fuel costs.

Whether future policy responses should focus solely on transparency, increased competition, transportation efficiencies, supply-chain improvements, market reforms, or other measures remains a question for policymakers and ultimately the Legislature.

The Department's objective is to ensure that future policy decisions are informed by reliable data rather than speculation. The investigation currently underway is intended to provide that factual foundation.

CONCLUSION

The Department recognizes the seriousness of fuel price increases in the Virgin Islands and their rippling effects on residents, businesses, government operations, and the overall cost of living. The data establish that global market disruptions triggered by the Iran conflict drove wholesale prices sharply higher beginning in late February, and that retail prices throughout the Territory increased accordingly — in all cases exceeding the rate of wholesale increases. When measured against national averages, Virgin Islands consumers are paying between $0.83 and $0.99 per gallon more than the national average for regular gasoline and diesel, respectively. For a community that was already paying among the highest fuel prices in the United States before the conflict began, these increases represent a serious and compounding economic burden.

DLCA has not remained passive. The Department has conducted weekly fuel surveys, issued 55 administrative subpoenas, compelled records, obtained court enforcement of its investigative authority, engaged an independent economic consulting firm for a cost-of-living study, and continued to provide the public with transparent, timely pricing information throughout this period.

While DLCA does not possess general authority to set retail fuel prices under ordinary market conditions, the Department does possess authority to investigate pricing practices, protect consumers, and provide policymakers with reliable data to support sound policy decisions. The investigation is ongoing, and the Department will provide this Committee with a further report upon its completion.

On behalf of Bryan Roach Administration, Commissioner H. Nathalie Hodge and the men and women of the Department of Licensing and Consumer Affairs , I assure this Committee that DLCA remains committed to transparency, fairness, accountability, and consumer protection.

Thank you for the opportunity to testify. I stand ready to answer any questions the Committee may have.