

Local businessman testify at oil hearing

(Washington, DC) — U.S. Rep. Jason Altmire, D-McCandless, thought he had a pretty good idea of how skyrocketing fuel prices have hurt small businesses until he made a visit to Plum three weeks ago.

By Tom Yerace

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(Washington, DC) — U.S. Rep. Jason Altmire, D-McCandless, thought he had a pretty good idea of how skyrocketing fuel prices have hurt small businesses until he made a visit to Plum three weeks ago.

Altmire, chairman of the House Small Business Subcommittee on Investigations and Oversight, said he asked Gary Gilberti, president of Chesapeake Rehab Equipment, what he could do to help his business succeed.

"When you visit a durable medical equipment company in Plum and you ask 'How can I help?' and one of the first things he says is the price of gas, it makes you think," Altmire said.

He said Gilberti said that much of the rehabilitation/medical equipment he provides is paid by Medicare reimbursements, which do not fluctuate. However, he has to deliver the equipment. And, because of established reimbursements, he can't adjust prices to pass on the higher cost of fuel to customers as other businesses can.

"He's eating the loss," Altmire said.

The situation prompted Altmire to convene a hearing Wednesday of his six-member subcommittee, about the effect of fuel prices on small businesses.

Gilberti and Mike Graff, owner of Graff Trucking in Fawn, were two of the five witnesses to testify.

Altmire said the witnesses underscored the need for federal officials to take action to ease the financial pressures created by fuel prices, which have topped \$4.30 per gallon for diesel fuel and \$3.30 per gallon for regular gasoline.

Graff said his business initially absorbed the cost as fuel prices rose until it reached a point where he was compelled to add a fuel surcharge to shipping fees.

"What continues to be amazing is the fact that diesel fuel is less refined -- and therefore costs less to produce -- but is averaging approximately 70 cents per gallon more than gasoline," Graff testified.

"While I struggle to remain in business dealing with escalating costs, fuel companies continue to report record-breaking profits," Graff said. "What remains extremely frustrating to all businesses and consumers who are facing higher costs is

those same fuel companies continue to receive tax breaks."

Graff said it's reaching a point for his small company, which employs 12 and has nine vehicles operating in five states, where he is questioning its ability to continue.

Altmire said he is very concerned about the prospect of losing small businesses such as Graff's.

"The next step is to talk about it with the full committee," Altmire said. "There has not been a lot of attention focused on small businesses, and that's what I want to do."

In the meantime, Altmire said he has sent a letter to President Bush asking him to help the situation by way of the nation's strategic oil reserve.

"It's at about 95 percent of capacity, and I suggested that he suspend shipments into the reserve," Altmire said. "What that does is put that oil back into the system."

"It would bring down the price but again, that is a short-term fix, not long term," he said. "The only thing we can do long-term is wean ourselves off of oil, and we need a national commitment to do it."

He said he doesn't see that beginning under the current administration.

"You have two oil men in the White House, and they are more interested in increasing the profits for the oil companies," Altmire said.

He said House Democrats have sought twice to take away the \$18 billion in tax subsidies the oil companies receive from the federal government and met stiff resistance from Republican colleagues and the White House.

"In the end, this is a long-term problem, and it is not going to get better on its own," Altmire said.

"The next step is for the committee to discuss legislation we can move on to help small businesses," Altmire said. "We have to figure out what we have to do to help these small businesses stay afloat."