



Michael P. Palazzotto Chapter 1264
 PO Box 552, Ridge, NY 11961-0552
 Chartered December 18, 1972

General Meetings 1st Wednesday (except January, February, July & August)
 10:30 AM at the Longwood Public Library Auditorium
 800 Middle Country Road, Middle Island, New York 11953

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MAY 2026

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Hospitality: Vacancies (2)

INCLEMENT WEATHER - call the Longwood Library at (631) 924-6400 to determine if the building is open or not. Our meeting is canceled if the building is closed.

CHANGE OF ADDRESS, Email, or Renewals. Please call NARFE Membership Services at (800) 456-8410, press 2 (Monday to Friday, 8 AM to 5 PM), or email memberrecords@narfe.org so you can continue to receive your NARFE Magazine and Chapter Newsletters.

Did you know that your NARFE membership ID is on the second line of the mailing label on your monthly NARFE Magazine? It's all you need to access all your benefits on <https://www.narfe.org> <https://fedhub.narfe.org/home>

Our next meeting is scheduled for
 Wednesday, May 6, 2026, at 10:30 a.m.
 in the Longwood Public Library Auditorium

Our presentation this month will be on Healthy Living from the Blue Cross and Blue Shield Federal Employee Program, which provides practical, evidence-based guidance to help members improve overall well-being. It focuses on four pillars of health:

1. Healthy eating – emphasizing balanced nutrition, whole foods, and antioxidants
2. Staying active – encouraging regular cardio, strength, and flexibility activities
3. Other ways to stay healthy – including sleep, stress management, and preventive care
4. FEP member resources – highlighting free and low-cost programs available to FEP members

The presentation will provide valuable information for all regardless of your health plan option. This presentation is educational (*not medical advice*) and promotes small, realistic lifestyle changes supported by trusted health organizations.

ALZHEIMER'S



The Alzheimer's Association now accepts credit card donations for the NARFE-Alzheimer's Research Fund. To link directly to the NARFE donation page on the Alzheimer's Association website, go to www.alz.org/narfe

Please continue to give to NARFE Alzheimer's Research. If you would like to donate with a check, please send it to our Chapter's Alzheimer's Chair, Bob Irish at NARFE Chapter 1264, Post Office Box 552, Ridge, NY 11961.

Thank you all for your donations and keep up the good work!

WHY GASOLINE PRICES ARE RISING

If the United States is the world's biggest oil producer and, by some measures, energy independent, then why are we still affected by global events? And how can prices jump quickly when the gasoline already in the tank was made from cheaper oil weeks ago? People like simple answers. "Corporate greed" feels right emotionally, but it doesn't explain everything. What's happening is due to global markets, how supply chains work, and usual patterns in how people buy. Actually, much of what we see is exactly how the system is meant to work.

The U.S. Produces a Lot of Oil. But It Still Buys From the World.

The USA leads the world in oil production, but oil isn't priced locally, and prices aren't set by oil companies. Because the USA participates in global markets, oil is priced by traders bidding worldwide. That is a distinction many people don't realize. Think of the oil market as a single, interconnected system. When supply is threatened anywhere, prices respond everywhere. And few places matter more than the Strait of Hormuz, a narrow passage through which roughly 20% of the world's oil flows. (The Strait of Hormuz is the world's most important oil transit choke-point.) When that chokepoint is at risk, traders price in the risk immediately. That dynamic is playing out in real time. Since conflict in the region put a stranglehold on ships traversing the strait, the cost of crude on the global market jumped significantly, with Brent crude settling at \$94 per barrel in early March 2026, up about 50% from the beginning of the year and the highest since September 2023. Goldman Sachs Research estimates that traders are demanding roughly \$14 more per barrel than before the conflict began, simply to compensate for increased risk.

But We Don't Even Get Our Oil From There!

This is where the confusion deepens. The USA only gets about 500,000 barrels of oil a day through the Strait of Hormuz, a small fraction of total consumption. So why does a closure there still hurt

American drivers? As one energy expert put it plainly: "If something goes wrong anywhere, the price goes up everywhere." Because the USA has chosen to participate in the global market for crude oil, it benefits when prices are low and suffers when they spike regardless of where the disruption occurs. There's also a structural reason the USA can't simply rely on its own output. Crude oil is graded by its weight and its sulfur content. Most USA produced oil is "light" and "sweet," but many American refineries were built to process heavier, more sulfur-rich crude from the Middle East and other overseas suppliers. Retooling those refineries to handle USA produced crude would cost billions of dollars and take decades to complete. So, the USA imports heavy crude mostly from Canada (about 60%) and Mexico (about 7%) to keep its refineries running. In 2025, the USA imported 6.2 million barrels of crude oil per day while exporting nearly 4 million barrels per day, making it a net importer of crude, even as it remains a net exporter of petroleum products overall. The gap between what the USA produces and what it consumes in petroleum products has consistently been around 7 million barrels a day, roughly equivalent to the amount of crude oil the USA imports. Even if the refinery mismatch could be solved overnight, it's not clear that current USA crude production would cover the country's entire needs. And even if it could, that still wouldn't shield American motorists from the global pricing system they're plugged into.

Why Prices Rise Fast and Fall Slow.

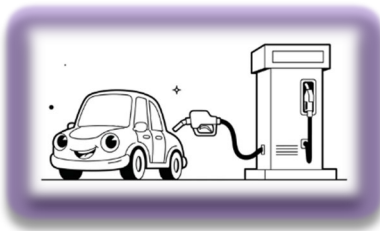
Gas stations set prices based on replacement cost. That is what it will cost to buy the next truckload of fuel, not the cheaper fuel already sitting in their underground tanks. When wholesale costs surge, stations raise prices immediately to protect their margins. Consumer behavior amplifies this effect. During price increases, drivers rush to fill up, creating a surge in demand that forces stations to raise prices further. When prices drop, that urgency disappears. Drivers don't race to the pump to take

advantage of lower prices, so stations face less competitive pressure to pass savings along quickly. This asymmetry, prices rising like a rocket, falling like a feather, is so well-documented that economists have a name for it: the “rockets and feathers” phenomenon.

What Happens If the Strait Stays Closed?

Oil executives and analysts have warned that the strait of Hormuz needs to reopen soon, or supply disruptions will get significantly worse. One geopolitical strategist estimated that the world has already lost 4.5 to 5 million barrels per day of oil due to the conflict, about 5% of global supply, and that number could double by mid-April, making it the largest loss of crude supply on record. Some oil has been rerouted through pipelines, and the USA and other governments have announced a record release of stockpiled oil to help stabilize prices. But analysts note that pipeline capacity can only carry so much, and strategic reserves are a temporary buffer, not a permanent solution. Oxford Economics expects oil prices to rise above \$150 a barrel within weeks if the strait remains too dangerous to navigate. Nobel Prize-winning economist Paul Krugman has said a \$150 scenario is “not at all hard” to construct and that \$200 is “not crazy.”

The Uncomfortable Truth



Rapid increases in gasoline prices aren't evidence that the system is broken. They are the result of global pricing, forward-looking markets, and predictable human behavior all interacting at once. That doesn't make the pain at the pump any easier to accept. But it does explain why more domestic production alone won't prevent these spikes and why the same pattern keeps repeating. As long as global supply can be threatened at critical chokepoints like the Strait of Hormuz, price shocks will remain. When that supply is actually disrupted, prices will move fast. The USA is far less directly exposed to Hormuz than Asian and some European importers. But less exposed is not the same as immune. As one energy researcher put it: “It insulates us in the sense that we're not going to have a hard time finding supply, but the prices are global, so prices go up anyway.” That's the real answer to why your gas prices are rising. It feels like a ripoff, and the frustration is understandable. But the interplay between geopolitics, market dynamics, and refinery infrastructure creates a system where American consumers are connected to every tanker that sits idle in the Persian Gulf, whether they know it or not.

New York Federation Conference

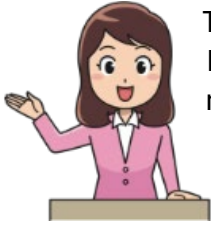
Wednesday, May 6, 2026, will be the NARFE NY Federation Annual Conference in Albany, NY. The Chapter President, Joanne will be attending with Stephanie Maxfield Parker, Chapter member. In Joanne's absence Carl Schroder has volunteered to run the May 6th local Chapter meeting.



Will be held August 23 through August 25, 2026, at the Hyatt Regency in Indianapolis, Indiana Conference Center. The Chapter President,

Joanne, will be attending the multi-day sessions, training, and keeping up with the pulse of NARFE's legislative priorities and top issues. <https://fedcon.narfe.org/program-description/gallery/>

Message from Chapter President



This month's chapter newsletter is being mailed to all members. Moving forward, we will be sending out mailed newsletters in alternate months. To ensure you stay informed, I must have your email address on file so you can receive next month's newsletter which is scheduled to only be e-mailed next month. We are planning to discontinue mailing newsletters effective March 2027 and will shift to e-mail only due to the increasing expenses of the non-profit postal permit, printing newsletters, and USPS mailing costs.

Join us on Wednesday, May 6th, for our NARFE Chapter meeting, as explained on the cover page. Don't miss this opportunity to connect and grow with fellow members! Please note that a social hour will follow the meeting.

Joanne Smith
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