



# Representative Scott Jiu Wo Kawasaki

Alaska State Legislature

District 1 Fairbanks

September 4, 2015

The Honorable Bill Walker  
Governor, State of Alaska  
State Capitol  
Juneau, Alaska 99801

Dear Governor Walker,

I thank you for your service to our state and your attention particularly to the high costs of energy in Interior Alaska. Your administration has done a commendable job in reaching out to the Interior Delegation during some very challenging times for our economy. One issue that has been a particular challenge is the high cost of gasoline and transportation fuels.

Alaskans have long seen a high price of gasoline, though an oil pipeline is in our own backyard. In 2007, an investigation by then-Governor Sarah Palin and the Attorney General resulted in an inconclusive correlation between the price of gasoline and the price of crude, especially since refinery margins across the state were challenged by the Alaska North Slope (ANS) crude price which was much higher than the lower 48 benchmark prices. With prices of ANS crude dropping to early 2000 levels, it remains a strong curiosity why the price of gasoline in Alaska continues to be the highest in the nation.

I urge you and the administration to begin an investigation regarding the retail price of fuel in Alaska, specifically why reductions in price significantly trail reductions in price nationwide.

The decrease in the value of oil has affected Alaska to a much greater degree than the rest of the nation. With the price of oil having dropped so significantly, it should be expected that gas prices would do so as well. This has not been the reality. According to the Oil and Gas Journal, in 2007 oil was \$78 a barrel with fuel prices around \$2.40 a gallon. Today, with gas prices hovering below \$50 a barrel, the price at the pump is still well over \$3.30 a gallon. When oil prices go up, our gas prices go up, but when oil prices plummet, gas prices did not significantly drop. While it is understandable that fuel prices will rise and fall with the price of oil, there is questionable justification for the margins refineries are adding to their cost for Alaska crude oil.

Alaska has a unique constitutional responsibility to ensure that natural resources are used to the maximum benefit of the Alaskan people. Gas prices that do not reflect the trends in the Lower 48 are intolerable for Alaskan consumers. The cost of living and commuting in our state is already prohibitive for many residents and is particularly damaging to bush

**In Juneau** ○ State Capitol Juneau, Alaska 99801  
**In Fairbanks** ○ 1292 Sadler Way Fairbanks, Alaska 99701  
**Juneau** ○ (907) 465-3466 ○ **Fairbanks** ○ (907) 456-7423  
**Email:** Rep.Scott.Kawasaki@akleg.gov

communities. I request you look into this and prepare a report with solid recommendations for action the legislature can take as soon as practicable.

Thank you for all of your work on behalf of All Alaskans. I look forward to working closely with you on this issue and many others. Please feel free to contact me if I may be of any service in the future.

Working Hard for Fairbanks Families,

A handwritten signature in blue ink, appearing to read 'S. Kawasaki', with a stylized flourish at the end.

Representative Scott Kawasaki  
City of Fairbanks

Cc: Attorney General Craig Richards, Commissioner of Natural Resources Mark Myers