

March 31, 2026

## **Western Alaska Fuel Delivery Risk Outlook (2026)**

*Prepared by the Alaska Chadu Network*

This brief is provided to inform state and federal officials of a growing risk to the annual fuel delivery for more than 160 communities in Western Alaska, as well as industries operating in the region during the time-constrained 2026 delivery season. Driven by the ongoing conflict involving Iran and the closure of the Strait of Hormuz, this situation carries significant implications for regional energy security, public safety, and key economic sectors, including commercial fishing.

This issue was raised through the Alaska Chadu Network's Western Alaska Tanker Lightering Best Practices Committee, where tanker operators responsible for delivering fuel to many Western Alaska communities convene to coordinate seasonal operations. During preseason meetings in March, operators highlighted emerging challenges in sourcing both vessels and fuel under current global conditions; several state and federal partner agencies participated in these discussions. As the only forum where these operators routinely share operational insights and risks, ACN is providing this summary to ensure consistent awareness among public officials and stakeholders of this developing and unprecedented situation.

The geopolitical conflict and resulting closure of the Strait have disrupted global petroleum flows, tightened tanker availability, and increased market volatility. These developments pose a direct risk to fuel delivery for Western Alaska, a region dependent on a single annual resupply window.

More than 160 Western Alaska communities rely on one maritime delivery season (May–October) for all essential fuels for the entire year—heating oil, aviation fuel, marine diesel, and gasoline. There are no alternatives: no roads or pipelines, and especially no winter marine transportation access from November to April. In 2026, global supply constraints, limited charterable tankers, and production disruptions threaten the ability to deliver required volumes within this narrow window. Compounding this situation, an unusually severe winter has extended sea ice to the Alaska Peninsula, further shortening the already compressed delivery season.

A critical vulnerability lies in the sourcing of refined fuels. Much of the region's supply is procured from Asian refineries configured to produce the required fuel types, many of which rely on crude oil from the Middle East. The ongoing conflict and Strait closure constrain this supply chain, reducing refinery output and limiting export availability. U.S. West Coast refineries lack the capacity and logistical flexibility to meet Alaska's demand at scale. Alternative sourcing—from other U.S. or foreign producers—may be possible but would likely come at significantly elevated prices due to global competition. Similarly, sourcing fuel from the Gulf Coast would require longer transit distances and higher transportation costs, driving prices to potentially astronomical levels in rural communities where costs are already exorbitant.

Industry tanker operators and fuel suppliers are actively working to secure vessels and source fuel; however, this remains a highly challenging and unpredictable operating environment. Vessel scarcity, volatile pricing, and constrained refinery output mean there is no assurance that all required volumes can be delivered. Despite best efforts, a supply gap remains a credible risk.

An undefined portion of the estimated 140 million gallons of fuel may be at risk of non-delivery, affecting dozens of communities, regional hubs, and critical infrastructure that serve as lifelines for surrounding villages. While it is too early to quantify any specific gap, the situation warrants close monitoring. Current conditions indicate a credible risk that not all planned fuel volumes will be delivered within the normal schedule, with outcomes dependent on uncertain supplier markets and operational factors influenced by the ongoing conflict in the Persian Gulf.

This represents a near-term, high-consequence risk driven by global geopolitical instability and Arctic logistical constraints. Any shortfalls would likely vary by location and fuel type, with cascading impacts to life-safety—particularly from heating and aviation fuel shortages—commercial fishing and the U.S. seafood supply chain, critical infrastructure such as diesel-dependent utilities, and broader community services, transportation, and strategic operations.

**Bottom Line:** This unprecedented risk to Western Alaska’s 2026 fuel delivery is being driven by the geopolitical conflict in the Middle East—specifically the disruption of global petroleum flows and tanker availability. As a result, there is a credible risk that not all required fuel volumes will be delivered, with potentially impactful consequences for communities, critical infrastructure, and the regional economy.

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