

HOUSE CONCURRENT RESOLUTION NO. 19
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES RAMRAS, Johnson, Hawker, Kelly, Lynn

Introduced: 1/27/10

Referred: Labor and Commerce, Finance

A RESOLUTION

1 **Urging the Alaska Industrial Development and Export Authority to present a business**
2 **case to the Alaska State Legislature that includes a method for financing, a plan to**
3 **solicit proposals for a public and private venture, and an analysis of the economic**
4 **feasibility of a state-built and privately operated fuel storage facility that would serve**
5 **the public interest by providing Alaskans with a reliable source of jet fuel, diesel, and**
6 **gasoline at competitive prices.**

7 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

8 **WHEREAS**, after investigating gasoline prices in the state in 2008, both the House
9 Judiciary Committee and the attorney general found that the unique structural characteristics
10 of Alaska's petroleum products market contribute to historically high gasoline prices when
11 compared to prices in other states; and

12 **WHEREAS** Alaskans rely primarily on three types of liquid fuels: jet fuel, diesel fuel,
13 and gasoline; and

14 **WHEREAS** the state's geographic isolation, limited options for receiving fuels from

1 refineries outside of the state for use in the state, and limited supply storage options increase
2 the cost of fuel to users in the state; and

3 **WHEREAS** the state's limited fuel storage capability at ports of entry restricts the
4 ability of in-state suppliers to receive bulk shipments of fuel from refiners outside of the state
5 to supplement fuels produced by in-state refiners; and

6 **WHEREAS** the inability to store fuels delivered to the state in large volumes results
7 in the acquisition of smaller volumes at higher costs; and

8 **WHEREAS** the greatest fuel demand in the state is for Jet-A fuel used for aviation,
9 heating, and power generation; and

10 **WHEREAS** the majority of jet fuel used in the state is used at the Ted Stevens
11 International Airport in Anchorage and at the Fairbanks International Airport, the
12 diversionary airport for Anchorage; and

13 **WHEREAS** diesel fuel is used in vehicles, ships, and boats, and for heating; and

14 **WHEREAS** gasoline primarily is used in automobiles, boats, snow machines, and
15 recreational vehicles; and

16 **WHEREAS** the state's demand for diesel and gasoline is the lowest of any state,
17 making it impractical and uneconomical for out-of-state suppliers to ship large quantities of
18 fuel products to the state; and

19 **WHEREAS** the ability to store a significant volume of fuel in the state could provide
20 energy security, allow the military in the state to protect national security, meet seasonal
21 increased demands for fuel, and protect and enhance the economic viability of the Ted
22 Stevens International Airport; and

23 **WHEREAS** the preparation of a business case for a fuel storage facility in the state
24 that describes the economic viability of a fuel storage facility financed by the Alaska
25 Industrial Development and Export Authority and operated by a third party with storage
26 capacity leased to users, distributors, and other interested parties would assist the Alaska State
27 Legislature in plotting the best course to meet the fuel needs of Alaskans at competitive
28 prices;

29 **BE IT RESOLVED** that the Alaska State Legislature urges the Alaska Industrial
30 Development and Export Authority to present a business case to the Alaska State Legislature
31 that includes a method for financing, a plan to solicit proposals for a public and private

- 1 venture, and an analysis of the economic feasibility of a state-built and privately operated fuel
- 2 storage facility that would serve the public interest by providing Alaskans with a reliable
- 3 source of jet fuel, diesel, and gasoline at competitive prices.