

Although gas prices are often assumed to be a force of political influence, they are actually governed by economic drivers and basic laws of supply and demand. Unfortunately, any President can't just push a button and let everyone pay \$3 per gallon. It does not work that way

Largest influences on cost

Supply and Demand

The price of a barrel of crude oil (at the time it is ordered)

Several factors combine to affect what drivers pay at the pump. These factors are not all equal.

1. A mix of related costs Refining crude oil into gasoline and other fuels
Transporting it to stations by pipeline and truck

2. State sales tax California – 67 cents/gallon
Washington state – 49 cents/gallon
Oregon – 38 cents/gallon
Idaho – 32 cents/gallon
Utah – 31 cents/gallon
Alaska – 15 cents/gallon
31.02 cents/gallon
average of all states

3. Local sales tax Only 22 cities in Oregon collected tax, none south of Eugene
Portland – 10 cents/gallon —————→
**renewed by 77% of voters in 2020*
Eugene – 5 cents/gallon
Most cities are 1-3 cents/gallon

4. Federal sales tax 18 cents/gallon
↳ has not increased in three decades

Raised 74.5 million over the prior four years

Street Repair and Maintenance

- \$25 million for paving, focused on busy and neighborhood streets

Safety

- \$6 million for Safe Routes to School projects to improve safety for elementary students
- \$4.5 million to expand Neighborhood Greenways and connect schools, parks, transit, and neighborhood businesses
- \$5 million for traffic signals and crossing beacons
- \$4.5 million for street lighting on High Crash Network
- \$4.5 million for sidewalks and other walkways
- \$1.5 million for small-scale neighborhood safety improvements

Community-Identified Transportation Needs

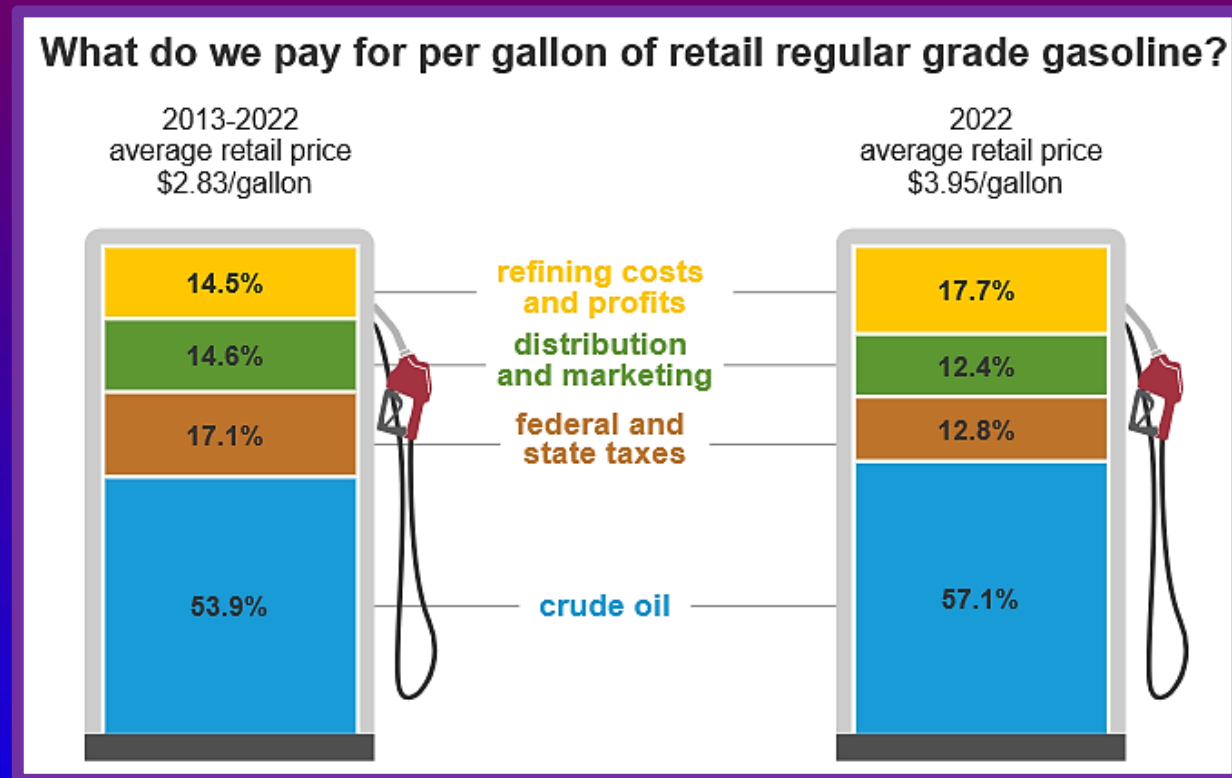
- \$13 million for potholes, gravel streets, and pavement base repair
- \$10.5 million for basic safety improvements

5. Supply and demand

- Can drivers be convinced to drive less?
- Can gas companies be encouraged to increase production?
- Adding more ethanol to gasoline blends could potentially reduce prices
 - ↳ Note: ethanol contains about one-third less energy than gasoline, so vehicles with an ethanol-gas blend typically get 3%-5% fewer mpg relative to a 100% gasoline tank. It makes the engine less powerful and less energy efficient; over 10% ethanol hurts engines by causing engine burns and corrosion
 - ↳ Ethanol is at least 24% worse for the climate, due to the carbon-intensive process of growing corn along with processing and combustion

Note:

Any government deal with fuel companies does **NOTHING** on fuel prices until the eventually tapped fuel hits the markets



What can be done to reduce fuel costs?

1. Release more fuel in the US market
2. President can tap into the national strategic petroleum reserve in Texas and Alaska
 - ↳ 727+ million barrels in storage
3. Give a “gas tax holiday” for local, state or federal taxes

Why do people pump gas for you in Oregon.

- ↪ A fire hazard reasoning. Oregon and New Jersey.
- ↪ State law since 1951, dropped from Oregon in 2023

Where does Oregon get its natural gas?

- ↪ Natural gas supplies enter Oregon by way of interstate pipelines, primarily from western Canada through Washington and from domestically produced natural gas that arrives through Nevada and Idaho. Almost all of the natural gas that enters Oregon continues on to California markets.

Wow . . .

- ↪ Alaska, Hawaii and the West Coast together get between 300,000 – 7 million barrels of oil from Russia every month.