



Alaska State Legislature

Representative Pete Petersen

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PETERSEN: AG REPORT CONFIRMS NEED FOR PRICE GOUGING LAW

Lack of competition effectively creates anti-trust climate

JUNEAU – The long-awaited gas price gouging report from recently-resigned Attorney General Talis Colberg confirms the need for gas price gouging legislation, according to Rep. [Pete Petersen](#) (D-Anchorage). The report cites a lack of competition and a small Alaska market as the sources of higher-than-average prices at Alaska gas pumps. Petersen says that confirms the need for an anti-gouging law.

“It’s true that we have two dominant refiners in Alaska,” Petersen said. “The former AG called that justification for socking it to Alaska consumers in a free market environment. The truth is, the free market only functions properly when there’s healthy competition. That’s why we have anti-trust laws, and that’s why Alaskans need to be protected at the pump.” While there are a few refineries in Alaska, the two largest hold a near monopoly interest.

As Alaska gas prices remain substantially higher than in the Lower 48, Petersen introduced HB 68 to end price gouging. Under current law excessive prices are only illegal if refineries are proven to have colluded or if the prices can be proven to be unconscionable. Petersen’s bill would prohibit Alaska’s major oil refineries from charging excessive or exorbitant prices for gasoline, diesel, heating oil or airplane fuel. If prices exceed Washington state averages by more than 10 percent, the burden of proof would shift to the refinery to justify its prices.

“Families, communities and small businesses across the state have suffered greatly because of high fuel costs,” Petersen said. “Alaskan consumers need protection from fuel price gouging now.”

Previous investigations by the House Judiciary Committee and the Legislative research division found that Alaska’s high prices are largely due to high prices charged by refineries to retailers. Last year Alaskan refinery prices rose sharply, even when crude oil prices were falling.

Petersen’s bill would not set or cap prices, and higher prices would be legal if the refineries can show that their prices are reasonable. Petersen, a small business owner himself, insists his bill is pro-business.

Rep. Les Gara (D-Anchorage), one of the bill’s cosponsors said, “Alaskans are being over charged for gas and heating fuel. We need to look at solutions, and a price gouging law is one option”

Petersen is joined as a sponsor of HB 68 by Reps Scott Kawasaki, Chris Tuck, Les Gara, and Max Gruenberg (all D-Anchorage). Sens Bill Wielechowski, Johnny Ellis, and Hollis French (all D-Anchorage) have introduced similar legislation in the Senate.

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