

State Budget Okay Despite Falling Crude Prices

Friday, 24 October 2008

{audio}/images/stories/mp3/081024.gary_stevens.mp3{/audio}

Jay Barrett/KMXT

When the Alaska Legislature set the current budget early this year, the price of oil was sky-high and heading higher. Alaska crude peaked at nearly 150-dollars per barrel in July. The budget was put together assuming a price of 85-dollars per barrel, but Juneau Senator Kim Elton said last week that the price of a barrel of oil is now hovering at a point where it may not sustain the state's present level of spending. Alaska North Slope Crude is currently under 70-dollars per barre.

But Kodiak Senator Gary Stevens says the state is in good shape, because of the increase in the taxes on oil companies and months of sky-high prices:

-- (Gary 1 40 sec "We did very well ... price of oil has gone down.")

Though Stevens is not up for re-election this year, half of the state's senate seats are up for grabs. The last two years Stevens was in the leadership of a majority coalition with the senate's Democrats. With coalition leader Lyda Green retiring, Stevens may become Senate President - if he can put together the right mix:

-- (Gary 2 24 sec "Waiting to see what ... it's going
to end up here.")

 Meanwhile,
Stevens says, the House and Senate Judiciary Committees continue to hold hearings on potential collusion and price fixing in gasoline and fuel prices in the state. He said he understands the anger of residents when the price of gasoline goes up quickly, but fails to come down at the same rate as the price of crude. But, he added, it's difficult to prove illegal conduct on the parts of the fuel industry.

###