# ISSUE BRIEF:
# TWO STORMS AND A RESILIENT MARKET

Hurricanes Harvey and Irma, while both powerful, had very different impacts on the U.S. fuel supply chain. Harvey primarily disrupted the manufacturing of fuel, while Irma mainly strained the distribution of it.

On August 25, Harvey passed through the heart of the U.S. refining industry in the Gulf Coast, impacting 24 refineries with a quarter of U.S. refining capacity. Just two weeks after Harvey made landfall, 20 of these refiners restarted or are in the process of restarting. Other critical infrastructure such as pipelines, ports and terminals were also impacted, further exacerbating the strains on the system.

In Florida – a state without refineries – the primary challenge was getting fuel where it needed to be in a safe and timely manner. The rapid spike in demand in advance of Irma made it difficult for gas stations and distributors to keep stations supplied as consumers filled up their cars and stocked up on fuel in preparation for uncertain conditions. During and immediately following the storm, impacts of Irma on infrastructure including ports, roads and power, created challenges to moving fuel from storage to gas stations. To prepare, the industry put as much product as it could into the market in advance of the storm and staged products on both coasts to get fuel to Floridians as soon as it is safe and infrastructure allows. The good news is that must of the impacted infrastructure throughout the southeast is coming back online.

Despite the disruption in the U.S. fuel supply chain caused by these hurricanes, there is not a shortage of fuel. In fact, we have five-year highs of fuel in the country. While certain areas most directly impacted by the storms experienced more disruption to their fuel supply in the short term, the U.S. fuel supply chain is resilient and dynamic and is able to replace supply from other parts of the country and even the world as these disruptions are resolved.

Since August 27, average U.S. gasoline prices have risen about 30 cents to around $2.66 per gallon, with larger increases in markets such as Florida, according to GasBuddy.com, as the supply chain and futures markets react to the fallout from storms. Gasoline prices mainly depend on the level of crude oil prices. Other factors in prices include transportation and taxes. Despite the uptick, gasoline prices are still lower than historical averages. Prices are expected to readjust once refineries and other infrastructure are fully operational.

There are many actors in the fuel supply chain that takes gasoline from refinery gates to gas pumps. This complex supply chain is highly competitive and consumer protection laws prevent unfair pricing practices. The industry encourages enforcement of these laws.

We still have work to do, but AFPM's member companies are committed to helping ensure that new supply reaches all markets that are accessible and in need of fuels.