

Proposed Trump tariffs likely to increase what you pay for gasoline

April 1, 2025



Regular Unleaded	Current	Week Ago	Month Ago	Year Ago	Highest Rec. Avg. Price	Date
National Average	\$3.201	\$3.139	\$3.103	\$3.536	\$5.016	6/14/2022
Oregon Average	\$3.842	\$3.748	\$3.750	\$4.271	\$5.548	6/15/2022
Portland	\$3.964	\$3.866	\$3.871	\$4.344	\$5.638	10/9/2022
Salem	\$3.718	\$3.605	\$3.609	\$4.200	\$5.471	6/15/2022
Albany	\$3.705	\$3.617	\$3.602	\$4.158	\$5.467	6/11/2022
Eugene/Springfield	\$3.736	\$3.642	\$3.658	\$4.204	\$5.574	6/15/2022
Medford/Ashland	\$3.962	\$3.845	\$3.952	\$4.380	\$5.683	10/9/2022
Bend	\$3.800	\$3.699	\$3.661	\$4.274	\$5.627	6/14/2022
Pendleton	\$3.633	\$3.534	\$3.497	\$4.113	\$5.359	6/16/2022
Vancouver, WA	\$4.130	\$4.026	\$4.089	\$4.564	\$5.602	6/17/2022

Prices at the pumps are rising rapidly, according to the American Automobile Association (AAA).

For the week, the national average for regular unleaded gasoline climbs six cents to \$3.20 a gallon. The Oregon average jumps nine cents to \$3.84 a gallon.

Prices typically increase this time of year due to refinery maintenance and the switch to summer-blend fuel, which is more expensive to produce. The West Coast is also impacted by ongoing refinery issues in California, making prices climb more rapidly in the region.

"Only two of the remaining three refineries in Northern California are operating, causing wholesale prices to spike on the West Coast," AAA Oregon Idaho Public Affairs Director Marie Dodds said. "Those increases are in addition to the seasonal switch to summer-blend fuel, which can add 10-20 cents a gallon or more. Summer-blend gas costs more to make because the production process takes longer than winter-blend fuel, and less summer-blend fuel can be made from every barrel of oil."

For now, the higher pump prices are mostly a result of seasonal factors; however, tariffs have been causing volatility in the markets. The Trump administration says tariffs will go into effect on April 2, and they could impact crude oil prices, which, in turn, would impact retail gas prices.

The Oregon average began 2025 at \$3.45 a gallon and is currently at \$3.84, which is the highest price of the year so far. The lowest price of the year so far is just under \$3.45 a gallon on January 2.

The national average began 2025 at \$3.06 a gallon and is currently at \$3.20, which is the highest price of the year so far. The lowest price of the year so far is \$3.06 on January 5.

TYPICAL PRICING PROCESS

Gas prices typically rise starting in mid-to-late winter and early spring as refineries undergo maintenance ahead of the switch to summer-blend fuel, which is less likely to evaporate in warmer temperatures.

The switch occurs first in California, which is why pump prices on the West Coast often rise before other parts of the country. The East Coast is the last major market to switch to summer-blend fuel. Most areas have a May 1 compliance date for refiners and terminals, while most gas stations have a June 1 deadline to switch to selling summer-blend until June 1.

Switch-over dates are earlier in California with some areas in the state requiring summer-blend fuel by April 1. Some refineries will begin maintenance and the switchover in February.

Gas prices usually drop in the fall, due to the switch from summer-blend to winter-blend fuel, which costs less to produce. The switch starts in September.

Many areas, including Oregon, can sell winter-blend fuel starting September 15. However, Northern and Southern California require summer-blend fuel through October 31. Prices usually decline to their lowest levels of the year in late fall and early winter before increasing again in the late winter and early spring, according to the AAA release.

Meanwhile, crude oil production in the U.S. remains near record highs. The U.S. Energy Information Administration (EIA) reports that crude production in this country is holding steady at 13.57 million barrels per day for the week ending March 21. The record high is 13.63 million barrels per day for the week of December 6. Production has been at 13.5 million barrels per day many times since October. The U.S. has been the top producer of crude oil in the world since 2018 and has been increasing its oil production since about 2009.

The U.S. price of crude oil (West Texas Intermediate) has been in the upper \$60s to mid-\$70s for much of the last three months, but did soar to \$80.04 per barrel on January 15, which is the highest price since last August. The lowest closing price since September was \$66.03 on March 10.

Crude oil prices surged above \$71 yesterday, as markets reacted to President Trump's statements that he might impose secondary tariffs on buyers of Russian oil and that he might bomb Iran if it fails to come to a nuclear agreement. Crude oil is trading around \$71 today compared to \$69 a week ago and \$84 a year ago. In 2024, West Texas Intermediate ranged between \$66 and \$87 per barrel. In 2023, WTI ranged between \$63 and \$95 per barrel. WTI reached recent highs of \$123.70 on March 8, 2022, shortly after the Russian invasion of Ukraine, and \$122.11 per barrel on June 8, 2022. The all-time high for WTI crude oil is \$147.27 in July 2008.

Crude prices are impacted by economic news as well as geopolitical events around the world including the unrest in the Middle East and the war between Russia and Ukraine. Russia is a top global oil producer, behind the U.S. and Saudi Arabia. Crude prices have been volatile after the attack on Israel by Hamas in October 2023.

While Israel and the Palestinian territory are not oil producers, concerns remain that the conflict could spread in the Middle East, which could potentially impact crude production in other oil-producing nations in the region. In addition, production cuts by OPEC+ tightened global crude oil supplies, which continued to impact prices. The cartel has said it would boost production starting today.

Crude oil is the main ingredient in gasoline and diesel, so pump prices are impacted by crude prices on the global markets. On average, about 58% of what we pay for in a gallon of gasoline is for the price of crude oil, 9% is refining, 16% distribution and marketing, and 17% are taxes, according to the U.S. Energy Information Administration.

Demand for gasoline in the U.S. decreased from 8.82 b/d last week to 8.64 for the week ending March 21, according to the U.S. Energy Information Administration (EIA). This compares to 8.72 million b/d a year ago. Meanwhile, total domestic gasoline supply decreased from 240.6 million barrels to 239.1. Gasoline production decreased last week, averaging 9.2 million barrels per day, compared to 9.6 million barrels daily the previous week.

Pump prices will likely continue to rise due to the seasonal factors, and West Coast prices will have additional upward pressure from refinery issues in California.

QUICK STATES

Oregon is one of 46 states and the District of Columbia with higher prices now than a week ago. California (+21 cents) has the biggest week-over-week jump in the nation. Florida (-2 cents) has the largest week-over-week decline.

California (\$4.85) has the most expensive gas in the nation for the eighth week in a row. Hawaii (\$4.53) is second, and Washington (\$4.21) is third. These are the three states in the country with averages at or above \$4 a gallon. This week 30 states and the District of Columbia have averages in the \$3-range. There are 17 states with an average in the \$2 range this week.

The cheapest gas in the nation is in Mississippi (\$2.69) and Louisiana (\$2.76). No state has had an average below \$2 a gallon since January 7, 2021, when Mississippi and Texas were below that threshold. At the time, the COVID-19 pandemic drove significant declines in crude oil and gasoline demand in the U.S. and around the world.

The difference between the most expensive and least expensive states is \$2.17 this week, compared to \$1.98 a week ago.

Oregon is one of 39 states and the District of Columbia with higher prices now than a month ago. The national average is 10 cents more and the Oregon average is nine cents more than a month ago. Indiana (+43 cents) has the largest month-over-month increase in the country. New Hampshire (-9 cents) has the largest month-over-month drop in the nation.

Oregon is one of 49 states and the District of Columbia with lower prices now than a year ago. The national average is 34 cents less and the Oregon average is 43 cents less than a year ago. Alaska (-64 cents) has the largest yearly drop. Colorado (+1 cent) is the only state with a year-over-year increase.

WEST COAST

The West Coast region continues to have the most expensive pump prices in the nation with all seven states in the top 10, according to the AAA.

"It's typical for the West Coast to have six or seven states in the top 10 as this region tends to consistently have fairly tight supplies, consuming about as much gasoline as is produced, Dodds said. "In addition, this region is located relatively far from parts of the country where oil drilling, production and refining occurs, so transportation costs are higher. And environmental programs in this region add to the cost of production, storage and distribution."