

Founded 1975

Executive Director
Marleanna Hall

2017-2018

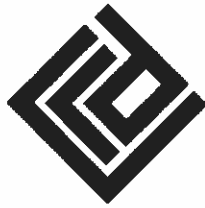
Executive Committee
Eric Fjelstad, President
Ethan Schutt, Vice President
Scott Jepsen, Treasurer
Jeanine St. John, Secretary
Ralph Samuels, Past President
Carol Fraser
Tim Gallagher
Scott Habberstad
Bill Jeffress
Wendy Lindskoog
Tom Maloney
Sam Mazzeo
Lance Miller
Kara Moriarty
Hans Neidig
Lori Nelson
Glenn Reed
Mike Satre
John Shively
Cam Toohy
Sinclair Witt

Directors

Anna Atchison
Greg Baker
Tom Barrett
Greg Beischer
Jason Bergerson
Ethan Berto
Patty Bielawski
Kate Blair
Rick Boyles
Jason Brune
Patrick Carter
Dave Chaput
Steve Connelly
Jason Criqui
Dave Cruz
Mike Ferris
James Fueg
Gideon Garcia
Ricky Gease
Paul Glavinovich
Stephen Grabacki
Karl Hanneman
Steve Hites
Teresa Imm
Monica James
Michael Jesperson
Mike Jungreis
Jaeleen Kookesh
Thomas Krzewinski
John Lau
Tom Lovas
Thomas Mack
John MacKinnon
Stephanie Madsen
Karen Matthias
Joey Merrick
James Mery
Lisa Parker
Judy Patrick
Steve Post
Shannon Price
Christy Resler
Rick Rogers
Keith Silver
Lorall Simon
Doug Smith
Chad Steadman
Phil Steyer
John Sturgeon
Casey Sullivan
Jan Trigg
Doug Vincent-Lang
Sam Wolfe

Ex-Officio Members

U.S. Senator Lisa Murkowski
U.S. Senator Dan Sullivan
Congressman Don Young
Governor Bill Walker



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

BREAKFAST MEETING

Thursday, April 5, 2018

1. Call to order – Eric Fjelstad, RDC President
2. Self Introductions
3. Head Table Introductions
4. Staff Report – Marleanna Hall, Executive Director
5. Program

Evolution of Alyeska Pipeline Service Company's Escort and Response Capabilities

Tom Barrett, President, Alyeska Pipeline Service Company

Next Meeting: Thursday, May 3, 2018

Egan Center

Stand for Alaska

Speakers to be announced

Sign up for RDC e-news online!

This breakfast packet and presentation may be found online at:

akrdc.org



TOURISM



FISHERIES



OIL & GAS



MINING



FORESTRY

Spill prevention and response capabilities are improving for Prince William Sound

Author: Tom Barrett | Opinion Updated: March 1 Published March 1

Tanker operations in Prince William Sound are safer today than ever before. Fewer tankers travel through the Sound; those that do are double-hulled and equipped with rapidly improving technology, communication and safety features. Alyeska's escort and response capabilities have proved out over the past 20 years. Our people live our commitment to the environment on the water every day.

And we will drive operational excellence on the sound higher this summer with transition of Alyeska's marine services provider to Edison Chouest Offshore (ECO). Alyeska's investment in a new, more capable fleet will enable their experienced Coast Guard licensed crews to better protect the resources of the Sound for all of us. This change is far more than a new business arrangement for Alyeska. The marine service contract is one of Alyeska's, and Alaska's, most important. ECO will share our stewardship and responsibility obligations working with Alyeska's people and stakeholders to prevent, and, if needed, respond to, marine spills.

The contract brings a fleet of 13 new, fit-for-purpose vessels with 20 percent more power than those in the current fleet, better towing equipment, and electronics. Response barges have decks specially designed to operate new, more efficient skimmers that are the world's largest. Many marine architects deem these designs ideal for the unique and difficult work in the Sound's often challenging conditions.

Lead vessels of each class will arrive in Valdez this month: the escort tug Commander, general purpose tug Elrington, and oil spill response barge OSRB-1. They will then conduct operational training and more than 50 demonstrations of crew and equipment. By summer, the entire new fleet will be in Valdez, as well as an existing ECO large anchor-handling tug and response barge. All will be U.S. Coast Guard classed and American Bureau of Shipping certified.

Alyeska brings a rigorous management and readiness resource transition plan to manage this change. In 2017, ECO mariners conducted over 10,000 hours of initial mission training. This winter ECO captains have been riding Prince William Sound waves on vessels operated by our current marine services partner, Crowley. Training activities are increasing, most recently at AVTEC simulator facilities in Seward, and will up-tempo more as vessels arrive, to include exercises with Alaska fishermen.

ECO has a 50-plus-year marine operations legacy and commitment to safe, reliable operations. Its safety record was stronger than all other bidders, and its crews support private companies and specialized U.S. government missions around the globe. The contract change is not an attempt to save money, as some with personal interests in the bid outcome have publicly suggested. Like any business we must be efficient but this award is a significant investment in vessels, technology and people to sustain long term TAPS' operations. Safety, reliability, and operational excellence are key business drivers for any contract we award.

Stakeholders are making this journey with us. They joined our staff at ECO's training facilities, shipyards and construction centers in Louisiana, Mississippi and Oregon. Prince William Sound residents and fishermen shared their concerns and lifestyles directly with ECO leaders. So have members of the Southwest Alaska Pilots Association, the PWS Regional Citizens' Advisory Council, and local, state and federal regulators.

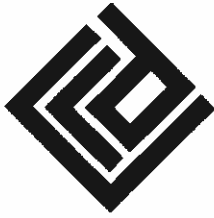
The Alaska Department of Environmental Conservation and U.S. Coast Guard are closely involved, ensuring standards of equipment performance, testing and training are satisfied. And Crowley is committed to a safe and smooth transition.

There are some lines that Alyeska does not cross. Training and demonstrating vessels and crews for emergency response in uncontrolled conditions is a dangerous and disappointing demand from the PWS Regional Citizens' Advisory Council. It is also not how effective emergency response training is conducted or proficiency developed.

I once oversaw training for the U.S. Coast Guard – emergency response proficiency is built and proven in controllable settings. Fire departments no longer conduct live fire exercises inside derelict buildings, because doing so caused unnecessary deaths. Purposely maneuvering massive vessels close to each other or putting lines across in difficult conditions when there is no operational need is inconsistent with strong safety and risk management and does not build capability.

Alyeska and ECO have developed a rigorous transition management and readiness assurance plan to safely and efficiently prepare proficient crews for Prince William Sound while avoiding unnecessary risks. We will demonstrate the proficiencies and capabilities of these vessels, their crews and equipment to regulators, stakeholders and residents of Valdez and communities around Prince William Sound this spring.

Alyeska personnel, our mariners, and business partners know that when this transition is accomplished, we will enjoy the satisfaction that comes from knowing we have substantially improved prevention and response capabilities for marine operations in Prince William Sound.



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

ACTION ALERT

Support Proposed 2019 Beaufort Sea Lease Sale

Comment Deadline: Monday, April 30, 2018

Overview

The Bureau of Ocean Energy Management (BOEM) has announced that it will issue a Call for Information and Nominations relating to a proposed 2019 oil and gas lease sale in the Beaufort Sea Planning Area, as included in the 2019-2024 Outer Continental Shelf (OCS) Oil and Gas Leasing Draft Proposed Program (DPP) published in January. The purpose of the Call is to solicit industry nominations for areas of leasing interest and to gather comments and information on the area included for consideration in planning future OCS oil and gas lease sales.

The DPP provides for three lease sales in the Beaufort Sea: one each in 2019, 2021, and 2023.

The DPP has not yet been approved, and a sale cannot take place unless the program in which it was proposed has been approved. However, a great deal of advance planning is required to conduct a lease sale. The fact that BOEM staff has initiated planning for these potential lease sales does not mean a decision has been made as to whether or not to hold them.

The 2019-2024 DPP is expected to be finalized in 2019. The proposed Beaufort Sea lease sale, if kept on the schedule, would be held later in 2019.

BOEM is seeking comments on industry interest in the areas proposed for leasing, including nominations or indications of interest in specific lease blocks within the areas. BOEM is also seeking comment from any interested party relating to particular geologic, environmental, biological, archaeological, and socioeconomic considerations.

Additional information is available at: <https://www.boem.gov/beaufort-call/>

Action Requested

Please submit comments supporting the proposed lease sale. A 30-day public comment period will end on Monday, April 30, 2018.

To comment online: Please go to www.regulations.gov and search BOEM-2017-0063.

To comment by mail:

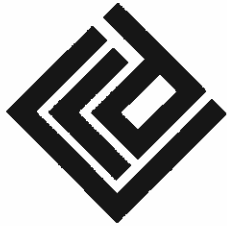
Chief, Leasing Section
BOEM, Alaska OCS Region
3801 Centerpoint Drive, Suite 500
Anchorage, AK 99503-5823

Points to consider in your comments:

- The potential oil and gas resources that may be made available as a result of lease sales in the Beaufort Sea are fundamental to America's energy security in the coming decades. The proposed Beaufort Sea lease sales in the 2019-2024 DPP could be a significant contributor to the nation's energy supply into the middle of this century.
- Alaska's Beaufort and Chukchi seas form one of the most prospective basins in the world. Together, these areas are estimated to hold over 24 billion barrels of oil and 133 trillion cubic feet of natural gas. While the Chukchi Sea holds potentially greater amounts of oil and gas, the Beaufort is closer to existing infrastructure and could be more economical to develop at lower oil prices.

- Despite a surge in U.S. oil production in recent years, the U.S. still imported nearly eight million barrels per day last year to meet domestic needs.
- Offshore development would serve to help maintain the integrity of the Trans-Alaska Pipeline System (TAPS), a critical link to America's energy distribution. TAPS has safely transported more than 17 billion barrels of oil since it came online over 40 years ago.
- Twenty-eight years ago, North Slope oil production exceeded two million barrels a day, which accounted for a quarter of domestic crude oil production. However, TAPS throughput has now declined to approximately 528,000 barrels per day. Given the vast resources potentially available offshore, future production could stem the decline, allowing for TAPS to remain viable for decades.
- Excluding the Beaufort Sea from future lease sales would compromise the long-term energy and economic security of Alaska.
- The Arctic's untapped resources are of critical importance to both Alaska and the United States. Oil and gas development in the Arctic OCS is predicted to produce an annual average of 35,000 direct and indirect jobs over the next half century for Alaska alone. Those jobs would represent a total payroll of over \$70 billion.
- From an economic standpoint alone, promoting and fostering Arctic OCS development would represent a windfall for the national economy. Revenues generated from Arctic OCS oil and natural gas production could amount to \$200 billion to federal, state and local governments.
- Industry has shown that impacts to marine mammal subsistence activity can be avoided and mitigated through close cooperation and communication with primary subsistence users. Newly instituted technologies will further ensure that development and environmental protection can coexist in the Arctic.
- Leasing and subsequent exploration and development in the Beaufort Sea would bring much-needed infrastructure to the region and would also provide additional response capabilities in an area where shipping and other activities are increasing.
- Major investments in Arctic research over decades by industry, government, and academia will provide a strong platform for responsible development that minimizes risks to other resources.
- Over 72% of Alaskans have supported offshore development. (*Consumer Energy Alliance poll, October 2014*)
- Lease sales in the Beaufort Sea would provide some level of predictability and certainty for industry to engage in long-term strategies to develop the Arctic's vast resources.
- Oil and gas development in the Arctic could ultimately prove indispensable, given forecasts that predict this nation's energy demands increasing over ten percent in the next quarter century. Even with a sharp increase in alternative energy sources, the majority of these growing energy demands will continue to be satisfied through use of fossil fuels.

Comment deadline is Monday, April 30, 2018



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

ACTION ALERT

Support Greater Mooses Tooth 2 Project in NPR-A
Comment Deadline: May 7, 2018

Overview

As part of the Trump Administration's approach to achieving American energy dominance, the Bureau of Land Management (BLM) has released the Draft Supplemental Environmental Impact Statement (DSEIS) for the Alpine Satellite Development Plan (ASDP) for the proposed Greater Mooses Tooth 2 (GMT2) development project in the National Petroleum Reserve Alaska (NPR-A). ConocoPhillips Alaska submitted an application to move forward with the project in August 2015. The DSEIS analyzes the application to authorize the construction, operation, and maintenance of a drill site, access road, pipelines, and ancillary facilities to support development of petroleum resources at the GMT2 drill site.

This DSEIS supplements an earlier analysis of the project in the BLM's 2004 ASDP. Under the Preferred Alternative identified in the DSEIS, the associated pipeline and access road would cross both Kuukpik Corporation-owned lands and federally-managed lands within the NPR-A. The infrastructure would also connect to the Greater Mooses Tooth 1 development, which is eight miles away.

The DSEIS examines a range of alternatives for the GMT2 project and considers relevant and reasonable mitigation measures. ConocoPhillips Alaska estimates first oil in 2021. The \$1.5 billion project could produce up to 30,000 barrels of oil per day.

Additional information, as well as the draft plan, is available at the GMT2 Draft Supplemental EIS site:

<https://eplanning.blm.gov/epl-front-office/eplanning/planAndProjectSite.do?methodName=renderDefaultPlanOrProjectSite&projectId=65817>

Action Requested

A 45-day public comment period on the DSEIS is now underway during which time public meetings will be held in Anchorage, Fairbanks, and North Slope communities. Please submit comments supporting Alternative A, the Preferred Alternative in the DSEIS. Comments may be submitted by any of the following methods:

Email: blm_ak_gmt2_comments@blm.gov

Fax: (907) 271- 3933

Mail: GMT2 Draft SEIS Comments

Attn: Stephanie Rice
222 West 7th Avenue, #13
Anchorage, AK 99513

In person at the BLM Public Information Center, 222 West 7th Avenue, Anchorage, Alaska.

In person at public meetings:

Anchorage: Monday, April 16th, 5:30-9:00 p.m., Loussac Library, Learning Commons Room

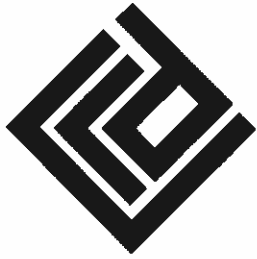
Fairbanks: Tuesday, April 17th, 5:30-9:00 p.m., Morris Thompson Center

Points to Consider:

- Peak production from GMT2 is estimated at approximately 30,000 barrels of oil per day and would help increase North Slope production, putting more oil in the Trans-Alaska Pipeline System.
- Development of the proposed \$1.5 billion project would provide benefits to the local and state economies through local hire for jobs created during construction and operations, tax revenues, royalties, and new resources to help meet domestic energy demand.

- The GMT2 Project would help meet the purpose of NPR-A, which is to develop America's energy resources.
- Development will also provide significant economic benefits to Alaska Natives on the North Slope as well as throughout the state through direct payment of royalties and revenue sharing among the Alaska Native corporations.
- The currently proposed GMT2 project (formerly CD7) is essentially the same as that approved for permitting in 2004 with changes that reduce the overall footprint. These changes include removing the drill site location from the Colville River Special Area, and reducing the road and pipeline length, thereby reducing the amount of fill and associated impacts to wetlands. Relocation of the drill site also mitigates the potential for impacts on peregrine falcons, an endangered species.
- As proposed in Alternative A, GMT2 will include a gravel road connection to existing infrastructure at GMT1 facilities. The road is necessary to insure that the operator can respond to the unlikely event of an environmental or safety issue in an adequate and timely manner.
- Alternative C, the aircraft and roadless alternative, would not allow adequate access to emergency response resources and creates significant environmental and safety risk in the unlikely event of an issue. On bad weather days, there would be no access to GMT2.
- ConocoPhillips' proposed project, Alternative A, has been modified to reduce environmental impacts and lower the overall footprint. Alternative A would be the best alternative that meets the purpose and need for the GMT2 project. Alternative A would also pose the fewest impacts to subsistence.
- GMT2 incorporates extensive subsistence mitigation in the project design and incorporates local stakeholder input.
- Alternative A requires less air traffic close to the village of Nuiqsut than Alternative C. Road access will avoid the need for air traffic to the drill site, which is the number one complaint of subsistence hunters.
- Pipeline design standards and separation from the road were developed to ensure caribou movement is protected for subsistence hunting.
- The project has incorporated pull-outs to support safety and local subsistence access on the GMT2 road.
- A review of new data and information shows there are no appreciable changes in the physical, biological, or social resources associated with the project study area. New data includes multi-year studies on hydrology, birds, and caribou.

Comment deadline is May 7, 2018



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

HB 272, An Act Establishing the Tangle Lakes State Game Refuge House Resources • March 14, 2018

Good evening. My name is Marleanna Hall, and I am the executive director of the Resource Development Council. Thank you for the opportunity to testify today.

In brief, RDC is a statewide trade association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, fisheries and tourism industries, as well as the 12 land owning ANCs, municipalities and borough, individuals and more.

I am testifying today to express RDC's opposition to House Bill 272, An Act Establishing the Tangle Lakes State Game Refuge.

It is a position of RDC to encourage the exploration and responsible development of Alaska's natural resources. Creating a new refuge will restrict or eliminate the potential opportunities in the Tangle Lakes area, including mineral development and tourism. Further, it will create new restrictions to land use at a time when our state faces fiscal and other challenges.

Alaska already contains over 70 percent of the nation's national park lands, 84 percent of its national wildlife refuge lands, two of the nation's largest national forests, the two largest state parks in the union, and a number of other state conservation units. RDC believes the Tangle Lakes area should continue to be managed for multiple use, where recreation and other potential uses, including mining, can coexist, as they do elsewhere in our state. Instead of creating yet another refuge in Alaska, we must focus on ways to show that our state is "open for business" and that Alaskans are serious about growing our economy,

The area proposed for refuge status contains mining claims previously held by various companies and individuals. Mining has occurred there in the past, as well as ongoing exploration activities. There have been no significant adverse impacts on wildlife from these activities.

Alaska has one of the most comprehensive regulatory and permitting systems in the United States for protecting the environment and our wildlife and fishery resources. Any project proposed for the region will be thoroughly scrutinized by regulators through Alaska's extensive permitting process and the National Environmental Policy Act. In fact, major development projects typically require more than 50 state and federal permits.

In closing, I urge the members of the House Resources to oppose HB 272.



**STAND FOR
ALASKA**

REAL ALASKANS REAL TALK

8.15.17

JOHN MACKINNON
Executive Director,
Associated General
Contractors of Alaska

"We have excellent protections for salmon right now... If someone has concrete evidence of problems with permitting and review process, put them on the table and let's work on it. Throwing up additional roadblocks because you just don't like a particular project can have wide-reaching ramifications across the state."

11.15.17

STEPHANIE MADSEN
Executive Director,
At-Sea Processors Association

"Our lifeblood is also in protecting fisheries habitat... My group understands the downsides of this [initiative]. We rely on docks, which need permits, and we understand the need for coastal communities to grow."

Al Ott, ADF&G Operations Manager wrote, *"In my view the Donlin prospect mine would not be developed at all under this initiative."*

Affidavit, State of Alaska, 9.26.17

3.02.18

JAELEEN KOOKESH
VP General Counsel &
Corporate Secretary, Sealaska

"This initiative undermines Alaska Natives' rights to develop our lands as we see appropriate. Our communities cannot afford this far-reaching regulatory burden that has not been proven necessary, based on science or any other premise."

"Alaska Attorney General Jahna Lindemuth has said the initiative would have the effect of categorically blocking certain mines, dams, roads and pipelines."

Anchorage Daily News, 1.29.18

2.09.18

JOEY MERRICK
Laborers' Local 341

"Alaska already is in a serious recession...The last thing we need is more expensive, time consuming, and unnecessary policies that cost Alaskans their livelihoods."

11.15.17

RALPH SAMUELS
Alaska vice president,
Holland America

"We build docks, airstrips and hotels, so we're affected just like any business operator."

11.16.17

AARON SCHUTT
President & CEO,
Doyon, Limited

"There will not be another significant project built in rural Alaska if this initiative passes."

WWW.STANDFORAK.COM  

http://www.newsminer.com/opinion/community_perspectives/i-stand-with-stand-for-alaska/article_d3c51302-37da-11e8-8271-3bacf8b3b296.html

I stand with Stand for Alaska

PJ Simon Apr 4, 2018 Updated 4 hrs ago

Fairbanks Daily News-Miner community perspective:

As a proud Athabascan, and a tribal and native corporation leader, I am very aware and respectful of the Stand for Salmon initiative and the sponsors who stand behind it. I am very respectful of the fishermen who depend solely on salmon and those that want to preserve our salmon. As important as this is to each of us, Alaska's economy depends on natural resource development, especially oil. There still remains a practical necessity for resource development; without it, Alaska would be like a poor developing country. Oil and mineral development money has paid for so much, including Alaska Native Claims Settlement Act and Native corporation revenue sharing, state subsidies, infrastructure development, social programs, education and jobs. Those who work also keep those who cannot work strong. With no paycheck coming in, well it's a scary thought. We cannot live on love, like muskrats! Employment and Alaska's economy are central to any discussion on the Stand for Salmon Title 16 initiative.

I will stand with Stand for Alaska, because this existing Title 16 Stand for Salmon initiative will destroy Alaska's ability to continue resource development. I read the Stand for Salmon ballot measure, so much complicated language. If you told me this initiative said it would put a chicken in every pot and a car in every garage, I would believe you. The "fine print" is so hard to read. I am a plumber, recreational gold miner and trapper, so I am just a regular guy. I am not a high-powered lawyer or professional environmentalist paid by outside interest groups. I'm sandwich meat, the guy in the middle, the guy who works for wages to support my family. When these types of ballot initiatives come out, I know that my well-being is on the line. I want to keep working construction and recreational mining to feed my family. Stand for Salmon would kill construction jobs and hurt the Alaska economy.

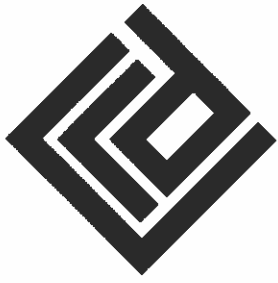
Resource development has always supported my family. In 1909, my great-grandfather was a gold miner, as were a lot of people in that era. He discovered gold and got a mountain named after his Indian Mountain. My grandfather worked at the Hog River Gold Mine for wages along with many others of the Koyukuk River. My father also worked at a gold mine, attaining his work skills as a

young Native man in heavy equipment and general labor. He retired from the 302 Operators Union and gets pension every month. Trapping is also resource extraction, managing our renewable resources. The trapping industry has been a mainstay for the economy during the off-season for construction workers since the early 1900s.

The Stand for Salmon initiative would compound costs for development projects and hamper opportunities that create jobs for all of us. If I am in a rural area and want to make a climate change adaptation "safety trail" around thinning ice because of climate change, for every stream that I would have to cross, I would have to prove that it is nonanadromous. When rural areas can afford only part time hours in villages and have limited support staff, how are they suppose to prove there's no salmon in the tiny creek? These are real unanswered questions. When tribal villages already get limited funding to run day-to-day operations, how are they supposed to pay for these surveys? Just some more rules added to more rules that affect rural life in a negative fashion. The fine print in the Stand for Salmon initiative compounds regulations, is extremely expensive and will choke our economy.

There needs to be many ways to measure success. Alaska is full of successes: full freezers in key fishing areas that are rich with salmon, and full freezers in other areas that are not rich with salmon. We all make money in different ways; we always have. We all have benefited from resource extraction. My opinion is that this Stand for Salmon ballot initiative would fare well in the Bristol Bay Region, but clearly is not representative or beneficial for all of Alaska. Therefore I am voting against Stand for Salmon.

PJ Simon is the vice chairman of Doyon Limited board of directors and a former chief of Allakaket



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

2018 TOP LEGISLATIVE PRIORITIES

Advocate for a long-term fiscal plan

- Advocate to limit unrestricted general fund (UGF)* spending to a sustainable level and implement a meaningful limit to spending.
- Encourage the legislature to allocate a percentage of the Permanent Fund earnings to the UGF to support essential services.
- Advocate to diversify and expand the economy in Alaska, by reducing the budget deficit to encourage long-term investment in the private sector.

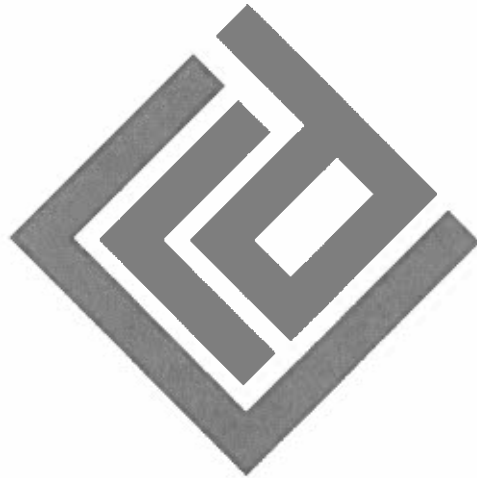
*UGF includes: Operating budget, capital budget, statewide obligations, but does not include deferral of liabilities.

Advocate for a stronger private sector

- Advocate for tax policy and regulatory stability that enhances the State of Alaska's competitiveness for all industries to attract new investment and grow the economy.

Fish Habitat Regulations

- Oppose major changes to fish habitat regulations that are already working.
- Encourage state agencies to defend existing, rigorous regulations.



TOURISM



FISHERIES



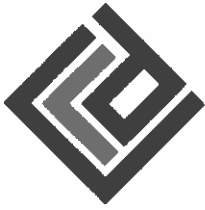
OIL & GAS



MINING



FORESTRY



Alaska's Fiscal Challenge

Long-term Fiscal Plan

For more than 25 years, RDC has advocated for a long-term fiscal plan, including efforts to limit unrestricted General Fund spending to a sustainable level, support some use of the Permanent Fund earnings as part of a fiscal plan, and tax policy and incentives that encourage future investment in Alaska's resource industries.

Permanent Fund Earnings

Permanent Fund earnings need to be part of a long-term, sustainable solution to Alaska's fiscal situation. State law allows these earnings to be used to support essential services.

Governor Jay Hammond's vision for the Permanent Fund included the eventual use of the fund's earnings to help pay for essential government services. With TAPS throughput running at three-quarters empty and oil prices at relatively low levels, the time has come to use some of the earnings to fund services.

Responsible Tax Policy

Raising taxes on Alaska's natural resource industries will hamper future investment and lead to lower state revenues, less jobs and a weaker private sector. The private sector is the foundation of Alaska's economy and its underlying health is the key to sustaining jobs, state government and the overall economy.

To sustain our economy, Alaska needs to encourage new investment, jobs and production by maintaining a stable, competitive tax structure. Conversely, the more Alaska taxes commodity-producing companies, the less likely they will invest in future production.

Alaska's natural resource industries are not asking for a decrease in taxes, but they are asking for stability, which includes a fiscal policy that encourages investment in our state and keeps Alaska open for business.

Alaska's oil and gas, mining, tourism, fishing and forest industries already have skin in the game, paying significant taxes to state and local governments, and providing jobs to Alaskan families. Instead of increasing taxes, risking jobs and future investment, Alaska needs to incentivize economic growth and business investment, which will grow the revenue pie for both the private and public sector.

Oil taxes

Alaska cannot increase oil production by increasing taxes. Alaska cannot tax away the industry's incentive to invest and still expect to have a sustainable economy.

While it is tempting to collect every dollar possible from the industry through increased taxation, doing so makes Alaskan projects less competitive with those elsewhere and robs Alaska of the investment capital required to expand existing fields and discover new ones. Higher taxes on the industry will do more harm to our economy. Conversely, more investment means more production and more revenue for the state.

Oil taxes talking points:

- The latest proposal to increase taxes (HB 288) represents the eighth major tax change in the last 13 years. Imposing a significant 75% increase in the minimum production tax will do nothing to encourage production.

- HB 288 will further cement Alaska's poor reputation in the oil and financial sectors, jeopardizing the billions of dollars in new investment necessary to bring on promising new fields and new production.
- The new tax bill will make Alaska less competitive with other oil and gas jurisdictions by raising costs in an already high-cost Arctic environment, creating more harm to Alaska's largest industry and the state's economy.
- HB 288 risks stalling the growing momentum in investment and production on the North Slope. Alaska needs the investment now more than ever to keep oil production up.
- New oil plays on the North Slope could trigger a major increase in TAPS throughput by adding over 400,000 bpd of new oil into the pipeline with commensurate economic benefits across the state. Maintaining stable tax policy is key to keeping Alaska competitive with other regions and seeing these projects come into production.
- The Legislature should be focused on attracting more industry investment, especially since the state earns 12.5% on North Slope production through its royalty share, which accounts for the lion's share of oil revenue at lower prices.
- Encouraging investment and production will have a much larger and significant positive impact on Alaska than the marginal revenue raised from the proposed tax hike.
- The oil industry has traditionally accounted for 88 percent of Alaska's unrestricted general fund revenues. Even in these times of lean oil prices, oil provides 74 percent of the state's unrestricted general fund revenues and supports one-third of our economy.
- Under the current oil tax system, Alaska's share is higher than the producers' at every price point. In fact, the state gets paid even when companies are operating at a loss because it still collects royalties, property tax, and a gross production tax.
- The current oil tax system sets a higher minimum floor than the previous tax system, while setting a stable and predictable rate when oil prices rise again. At current prices, Alaska's oil tax policy has brought hundreds of millions of dollars more in tax revenue to the state than it would have under the previous system.
- Alaska cannot control the price of oil, but it can control what kind of business climate we create here: one that encourages continued investment and more oil for TAPS.
- Oil tax reform in 2013 made Alaska more competitive and a more attractive place to invest. Oil companies have responded with billions of dollars in new projects. Alaska saw no production decline in 2014, a slight dip in 2015, followed by the first production uptick in 14 years in 2016 when 514,000 barrels per day were produced. In 2017, production increased to 526,000 bpd and it is estimated production will reach 533,000 bpd this year. Oil tax reform played a significant role in the production increases, reversing an annual 6% decline.
- The ramp up in North Slope production and activity demonstrates the current fiscal system is working.
- In 2016, the Legislature passed House Bill 247, which phased out tax credits in the Cook Inlet, and sunsetted exploration credits on the North Slope, among other changes. Last year the legislature passed HB 111, which rolled back credits companies earn by making new investments, making it more difficult for small companies to do business in Alaska's high-cost Arctic region. The full economic impact of HB 247 and HB 111 has yet to be understood. Introducing yet another tax bill is short-sighted.
- It takes an annual industry investment of \$3 to \$4 billion to keep production levels stable on the North Slope. This requires a stable, durable and competitive tax policy to fund Alaska projects.



Alaska Resource Education
presents

the
26th Coal Classic
annual
Golf Tournament

WEDNESDAY JUNE 13th

*Please notice the
NEW LOCATION!*

Moose Run Golf Course, Hill Course

Breakfast, Registration, and Hosted Driving Range 6:00 am, Shotgun Start 7:00

SPONSORSHIP OPPORTUNITIES

\$400 Breakfast Sponsor

\$500 Beverage Cart Sponsor

\$600 Lunch Sponsor

\$1,200 Par 3 Poker sponsor

Donate a door prize!

\$200 Driving Range Sponsor

\$300 Hole Sponsor

Specialty Item Sponsor

Door Prize Donation

Goodie Bag Items (160 of each)

REGISTRATION FEES

\$1,000 Team (Four Golfers)

\$300 Individual Golfer

Great prizes and lunch included!

Play "Par 3 Poker" and "Hire a Pro"!

REGISTER BY FRIDAY JUNE 1st

Call 907-276-5487 or
email golf@akresource.org
www.akresource.org