



February 29, 2012

Honorable Senator Paskvan, Co-Chair
Honorable Senator Wagoner, Co-Chair
Senate Resources Committee
Alaska State Legislature
Juneau, AK 99811

Dear Senators Paskvan and Wagoner:

On behalf of Arctic Slope Regional Corporation, I submit these comments regarding S.B. 192, specifically the Committee Substitute (CS) version "B".

ASRC is owned by and represents the business interests of approximately 11,000 Iñupiat, and is the largest Alaskan-owned company in the state. The ASRC family of companies employs approximately 10,000 people worldwide, with approximately 5,000 of our employees in Alaska. ASRC has four major business segments and they include: energy services, petroleum refining and marketing, government services, and construction industries.

As you know, the Arctic Slope region (also commonly known as the North Slope) is dependent upon a responsible and robust oil and gas industry, as is the entire state of Alaska. The oil and gas industry provides meaningful employment and contracting opportunities for our shareholders and our family of companies. Employment and training opportunities for our people, and all Alaskans, empower our residents with the necessary skills and means to provide a quality of life for our families, and build capacity within our communities. Services provided by thousands of Alaskan businesses further empower our organizations to return substantial benefits to our employees and the communities within which we do business.

Between 2005-2010 ASRC contributed over \$17M to non-profit organizations across the state including organizations like Big Brothers Big Sisters of Alaska, Covenant House, Standing Together Against Rape, The Nature Conservancy, The Anchorage Urban League and Special Olympics. In 2010 alone, ASRC's total payroll was over \$630M. Since 2005, ASRC has contributed over \$550M in revenue sharing to the 12 land-based regional Alaska Native corporations. These significant contributions to Alaska could not have been possible without the meaningful partnerships ASRC has with the oil and gas industry. While these benefits are substantial, without a robust oil and gas industry in our state, our ability to maintain the level of these types of commitments is at risk.

Our homegrown Alaskan businesses need more oil to fill the Trans-Alaska Pipeline System in order to survive. From our experience within this industry, a more attractive investment climate for oil production of legacy fields in our state is what will fill that pipeline.

ASRC is concerned that this committee substitute does not go far enough to spur additional investment in legacy fields on the North Slope. It is important to note that HB 110 has been the only bill that has garnered industry support; moreover, it is the only bill major producers have committed to for new production investment on the North Slope.

Although our roots are most definitely Alaskan, ASRC does business all over the United States. When considering how or where to invest our dollars, we consider the competitive investment climate of the market to ensure that we are maximizing our returns to our people, region and communities within which we do business. It has to make good business sense. Therefore, when reviewing this committee substitute, ASRC is further concerned that it fails to effectively address Alaska's competitive standing in the global marketplace. Without meaningful reform, Alaska and Alaskans will suffer.

Yesterday the Alaska Oil and Gas Association proposed meaningful alternatives to the committee substitute with respect to progressivity and ASRC is in full support of those proposed changes. We respectfully urge the committee to consider those positive changes.

Thank you for the opportunity to provide comments on this important matter.

Respectfully,
ARCTIC SLOPE REGIONAL CORPORATION

A handwritten signature in black ink that reads "T. Sweeney". The signature is fluid and cursive, with a large initial "T" and "S".

Tara M. Sweeney
Senior Vice President
External Affairs