

To: Members of the Alaska State Senate

As you consider Senate Bill 192, AOGA would like to officially voice our opposition to SB 192, Version "Y", as passed by the Senate Finance Committee on Wednesday, April 11.

SB 192 will not generate the type of investment and production necessary to increase production that is needed from all fields on the North Slope (legacy fields, incremental production within legacy fields, and new production outside legacy fields).

The bill does make slight modifications to a small portion of potential new production in Alaska, but does not provide meaningful reform across all fields on the Slope.

As my member companies have testified, SB 192 is actually a tax increase for some producers. The slight improvements at unusually high prices are not likely to change the investment behavior of AOGA's member companies.

It is better for the Legislature to pass something meaningful, versus an incremental step. At this point in the session, it is better for the Senate not to pass a bill providing such little change.

SB 192, Version "Y", will clearly not accomplish the goal of increasing production through TAPS in a meaningful way.

We urge you to vote against SB 192.

Respectfully,

Kara Moriarty