



March 14, 2016

Dear Legislature,

Re: HB247 – Vote No

The Matsu Business Alliance, Inc. strongly opposes the governor's bill HB247 to change the oil and gas production tax structure that includes raising the minimum tax from four to five percent, a 25% increase. This is JOB KILLER.

According to a recent presentation by the Alaska Department of Labor and Workforce Development, 10% of the current residents in the Matsu work on the North Slope and 1% work on the Kenai Peninsula. The reason our residents are able to live in the Matsu and work around the state is because of the rotation schedule and affordable housing.

The government needs to stop competing with the private sector and let the private sector create the jobs.

We thank all of those legislatures that will vote No on the governor's bill and believe in the private sector.

Sincerely,

A handwritten signature in black ink, appearing to read "Crystal Nygard", is written over a large, light-colored circular stamp or watermark.

Crystal Nygard, CEO
MatSu Business Alliance, Inc.



March 14, 2016

Re: Objection to HB247

My name is Nancy Trunnell, owner of AES Electric Supply Inc., a small woman owned business who has been doing business in Fairbanks for the past 26 years. Today I would like to voice my objection to HB247. I feel that the passage of this bill is in conflict with SB21, which the governor stated he would not hinder. We cannot be a pendulum that swings back and forth by way of giving incentives for exploration, and then taking it back after companies have become vested in development.

Alaska is currently experiencing an economic downturn. Companies both large and small have scaled back or suspended operations, due to low oil prices. The companies that have remained are trying to continue with exploration and but are now faced with losing their credits before given the time to complete critical phases of development

Let's focus on how Alaska can become a place where people want to continue to make investments and long term commitments. We have to look at ways to reduce expenditures and raise revenues that will not stifle exploration. House Bill 247 is the not the answer to accomplish the task of balancing the budget. We cannot afford to stop the clock again.

Sincerely,

A handwritten signature in black ink that reads "Nancy Trunnell". The signature is written in a cursive, flowing style.

Nancy Trunnell

President

AES Electric Supply Inc.

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From: Bell, Chris [<mailto:Chris.Bell@pcepacific.com>]
Sent: Monday, March 14, 2016 4:29 PM
To: Sen. Kevin Meyer <Sen.Kevin.Meyer@akleg.gov>; Rep. Bob Lynn <Rep.Bob.Lynn@akleg.gov>
Subject: No on HB 247

Senator Meyer/Representative Lynn,

I attempted on a couple occasions to email to a link provided for public comment but it failed. So I am hoping that your office will get into the correct hands!

I would like to express my disapproval to HB247. It is my belief the current tax structure put in place, SB21, is not the fault of the current state fiscal crisis and should not be changed.

I work for a company that provides products and services to the oil & gas industry. When the tax structure was changed from ACES to SB21, I saw my quote log swell from \$250K to \$2.5 Million. If it were not for the sudden crash in oil prices, I'd have seen a dramatic increase in business. To change this structure now would only create more uncertainty, and put Alaska back down to the bottom of the list of favorable places for oil & gas investment.

To me HB247 seems like a knee jerk reaction that will in the long run hurt the state's ability to collect on oil revenue. To change a tax structure that had encouraged development prior to a crash in oil prices would be ludicrous.

Best regards,

Chris Bell | Product Specialist | Instrument & Automation Division

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An Exclusive Emerson Process Management Local Business Partner

From: Lyndon Ibele [<mailto:lcibele@gci.net>]
Sent: Tuesday, March 15, 2016 11:44 AM
To: Rep. Benjamin Nageak <Rep.Benjamin.Nageak@akleg.gov>
Subject: Opposition to HB247

Dear Rep Nageak,

I have been employed as an oil industry professional for 35 years, with over 20 years in Alaska. I presently work for a very small privately owned company with gas wells on the Kenai peninsula. I can tell you that they are very concerned about the potential negative impacts of changing the current taxes and credits structure. The uncertainty weighs heavily on future investment decisions, and is negatively affecting their outlook for additional investment in Alaska. I suspect this is true for all producers and explorers in Alaska.

Now is NOT the time to increase taxes or make other changes that erode confidence in the Alaska's oil and gas business climate.

I am opposed to HB 247.

Lyndon Ibele, PE

Anchorage, Alaska

From: Dale Hoffman [<mailto:dale@ak.net>]

Sent: Monday, March 14, 2016 2:31 PM

To: Rep. Benjamin Nageak <Rep.Benjamin.Nageak@akleg.gov>; Rep. David Talerico <Rep.David.Talerico@akleg.gov>

Subject: Public Testimony in opposition of HB 247

Co-chairmen Nageak and Talerico,

Please note my opposition to HB 247. As a board member and strong supporter of the Alaska SeaLife Center (ASLC) I am concerned about the impact on funding for the center as the oil and gas industry not only loses revenue from lower prices, but also will take a drubbing due to state fiscal policy in the proposed removal of tax credits. ASLC gets significant funding from oil companies, including Shell, BP, ConocoPhillips and Caelus. As they make less, they fund less and ultimately, like Shell, leave the state and take their support with them.

For a state which has over the past several decades funded 90% of its budget from the oil and gas industry to further take money from it is counter-productive in the effort to balance the state budget. The State of Alaska finds itself in a tenuous situation. Please don't make it worse by implementing yet another fiscal regime on the oil and gas industry.

Thank you for the opportunity to comment. These comments are mine alone and not authorized on behalf of ASLC.

Dale Hoffman

Anchorage, AK 99515

From: Alicia Orange [<mailto:orangea8284@gmail.com>]

Sent: Monday, March 14, 2016 5:04 PM

To: Rep. Benjamin Nageak <Rep.Benjamin.Nageak@akleg.gov>; Rep. David Talerico <Rep.David.Talerico@akleg.gov>; Rep. Mike Hawker <Rep.Mike.Hawker@akleg.gov>; Rep. Paul Seaton <Rep.Paul.Seaton@akleg.gov>; Rep. Craig Johnson <Rep.Craig.Johnson@akleg.gov>; Rep. Andy Josephson <Rep.Andy.Josephson@akleg.gov>; Rep. Bob Herron <Rep.Bob.Herron@akleg.gov>; Rep. Kurt Olson <Rep.Kurt.Olson@akleg.gov>; Rep. Geran Tarr <Rep.Geran.Tarr@akleg.gov>

Subject: Opposition to HB 247

To the Co-chairs and members of the House Resources Committee,

I am writing in opposition of HB 247, the Governor's oil tax increase legislation.

I have lived in Anchorage since 2004 and have been working at an oil and gas consulting company in a geoscience technical support role since 2006. I am very concerned that, with the low price of oil and the shrinkage that has already taken place, care must be taken to help, NOT hinder, the exploration and development of oil and gas resources in AK.

I have seen the number of our clients drop dramatically over the last year or so, and friends who work on the North Slope are also finding contracts in industries that support oil and gas activity postponed indefinitely or cancelled, and it is a real concern for all of us. These are some of the short term consequences; probably more important in the big picture are the longer term consequences to Alaska in general, as it could take YEARS to build the oil and gas industry back up.

HB 247 will hurt, not help, so I urge you to please oppose it.

Thank you,

Alicia P. Orange

18651 Snowy Plover Cir.

Anchorage, AK 99516

From: Pete Stokes [<mailto:pstokes@petroak.com>]

Sent: Monday, March 14, 2016 5:12 PM

To: Rep. Benjamin Nageak <Rep.Benjamin.Nageak@akleg.gov>; Rep. David Talerico <Rep.David.Talerico@akleg.gov>

Cc: Rep. Paul Seaton <Rep.Paul.Seaton@akleg.gov>; Rep. Geran Tarr <Rep.Geran.Tarr@akleg.gov>; Rep. Mike Hawker <Rep.Mike.Hawker@akleg.gov>; Rep. Kurt Olson <Rep.Kurt.Olson@akleg.gov>; Rep. Bob Herron <Rep.Bob.Herron@akleg.gov>; Rep. Andy Josephson <Rep.Andy.Josephson@akleg.gov>; Rep. Craig Johnson <Rep.Craig.Johnson@akleg.gov>

Subject: Don't Upset Our Stable Oil and Gas Fiscal System with HB247

Co-Chairs Nageak and Talerico and Members of the House Resources Committee:

Although the State is in a budget crises due to the low price of oil, the current producers are producing at a loss at current prices. New developers are unable to finance developments due to the uncertainty of the State's position on credits.

The multifaceted provisions in HB 247 result in a tax increase at current levels and eliminates credits that will allow new development to be brought on in future years.

I am a consulting petroleum engineer with 35 years of oil and gas experience in Alaska, California, Oklahoma, Indonesia and Texas. Nowhere but Alaska changes their fiscal regime as often as the State of Alaska.

We finally made our fiscal terms attractive to investment with the passage of SB21 which has allowed the NS production to have flattened in 2015. Additionally, the State is actually collecting more revenue at these low prices than if ACES were still in effect.

If we make changes the fiscal system at these low prices, it will drive away investment for existing fields and cause new fields to not be developed. This will result in not being able to have higher or less declining production rates when the oil price returns to \$60+ BOPD.

Please do not change the current oil and gas fiscal system with the changes proposed in HB247.

Very Truly Yours,
Pete Stokes

Peter J. Stokes, PE & MBA
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Email: pstokes@petroak.com

From: Greg Sanders [<mailto:greg.sanders.ak@gmail.com>]

Sent: Monday, March 14, 2016 4:50 PM

To: Greg Sanders <greg.sanders.ak@gmail.com>

Subject: Opposition to HB-247

To members of the House Resources Committee:

My name is Greg Sanders, 30 year Alaska resident, husband and father of two boys.

I stand in opposition to the proposed HB-247, as written because of the negative impact it would have to the oil economy of the North Slope oil producers, including small independents. This bill would impact local Anchorage economic health due to job losses and lack of new company investments into the state due to low investment returns.

Changing oil taxes often is chilling to any oil and gas investor since there is a lack of long term stability in tax structure. And a long term (high) tax structure is not the solution!

The State of Alaska has an inherent high cost of business due to the remote nature, and must incentivize risk taking to help stabilize the TAPS downward trend. Raising production taxes and cancelling investment credits is not the way to do it!

regards,

Greg Sanders