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April 20, 2017

Re: **House Bill 111**

Dear Members of the Senate Resources Committee:

The Alaska Miners Association (AMA) writes to oppose HB 111: "An Act relating to the oil and gas production tax, tax payments, and credits; relating to interest applicable to delinquent oil and gas production tax; and providing for an effective date."

AMA is a non-profit membership organization established in 1939 to represent the mining industry throughout Alaska. The AMA has a diverse membership composed of more than 1,800 members that come from eight statewide branches: Anchorage, Denali, Fairbanks, Haines, Juneau, Kenai, Ketchikan/Prince of Wales, and Nome. Our members include individual prospectors, geologists, engineers, vendors, suction dredge miners, small family mines, junior mining companies, and major mining companies. AMA members look for and produce gold, silver, platinum, molybdenum, lead, zinc, copper, coal, limestone, sand and gravel, crushed stone, armor rock, and other materials.

While the mission of AMA is to promote responsible mineral development in Alaska, we write to you today to urge a stop to HB111 because not only is a healthy oil and gas industry crucial for a healthy mining industry, a healthy oil and gas industry is good for Alaska. Many of you know that AMA produces an annual "Issues of Concern" document that is provided to your offices at the beginning of each Legislative session. For several years, a position pertaining to the oil and gas industry has appeared under our "critical items" to demonstrate our belief that it is vital for Alaska to have oil and gas policy that incentivizes the industry to continue to invest in our state.

HB111 is not that kind of policy. Rather than encouraging oil investment, it is the 7th change in 12 years and creates new, punitive changes to the oil and gas tax structure that will result in less investment, less production, fewer jobs, and a deepening recession.

AMA encourages you to abandon this legislation and look to the larger issue at end: a sustainable budget for Alaska, with spending reductions, use of Permanent Fund earnings, and new revenue from broad-based taxes, not increased taxes on existing taxpayers who are already a significant part of the revenue base.

Thank you for the opportunity to comment on this important issue.

Sincerely,

Deantha Crockett
Executive Director