

Good morning, my name is Keith Silver and I do not work for an oil producer or service company. I am however, a long term resident of Alaska and as such, have a vested interest in resource development. Resource development is very expensive in Alaska due to weather conditions and lack of affordable access. One of many factors that companies have to deal with is the fiscal policy in the jurisdiction in which they are considering investing their billions of dollars. That fiscal policy needs to be competitive, fair, and consistent. HB111 fails the consistency test, simply because it changes the taxes for the 7th time in 12 years. It fails the fairness test because it changes and eliminates many of the credits currently available. It is also not competitive with most other jurisdictions when you take into consideration the weather and access issues here in Alaska.

Those of here in Anchorage are in a building that is heated and powered by affordable natural gas that incentive credits helped to bring to market. Without those credits, we were being told that Anchorage was going to have to import natural gas to heat our homes and buildings as well as power our infrastructure. It is a perfect example of how incentive credits can work.

Recently, Caelus Energy announced they found a large oil field on state land northeast of Barrow. Repsol and Armstrong also announced they found a large oil field on state land. It would be a costly mistake to discourage them and other similar explorers from developing such promising prospects.

Thank you for the opportunity to address you. I urge the committee to not pass HB111.