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Anchorage, AK 99501

April 17, 2017

Dear Senate Resources Committee,

The Anchorage Chamber of Commerce today announced opposition to House Bill 111, a bill aimed at altering production taxes on the oil and gas industry for the seventh time in 12 years. The Anchorage Chamber of Commerce is a strong advocate for a solution to the state's ongoing fiscal crisis, which will need to involve reductions in government spending, a restructuring of the permanent fund, and possibly a new broad-based tax. The Anchorage Chamber has consistently advocated for a fair, competitive, and stable oil tax environment as foundational to Alaska's economic stability. In response to the introduction to this bill, Anchorage Chamber of Commerce Chairman JR Wilcox issued the following statement:

"There is an urgent need for the legislature to take responsible and decisive action during this legislative session to address the state's serious fiscal problems. The gap between government revenue and expenditure is manifestly unsustainable, and the failure to resolve the issue is creating a damaging climate of uncertainty for the state's business community. Trying to address the fiscal crisis through another change to the production tax system will only compound our economic and budgetary problems. This would curtail much-needed investment in the oil & gas sector and distract from the urgent matters at hand. Only through encouraging investment will we increase production, resulting in a vibrant economy and more government revenues."

The Anchorage Chamber will continue to oppose tax increases on the oil and gas industry and actively advocate on behalf of its members on the importance of creating a stable business climate.

Sincerely,

Bruce Bustamante
President