



February 23, 2017

Representative Geran Tarr
Representative Andy Josephson
House Resources Committee Co-Chairs
Alaska House of Representatives
State Capitol, Rm 124
Juneau, AK 99801

Re: Opposition to House Bill 111 – Oil & Gas Production Tax; Payments; Credits

Dear Representatives Tarr and Josephson:

The Alaska State Chamber of Commerce (Alaska Chamber) strongly opposes the current versions of both House Bill 111, that would once again change Alaska's oil and gas tax structure.

The mission of the Alaska Chamber is to promote a positive business environment in Alaska. We represent hundreds of businesses, manufacturers and local chambers from across the state. A vital aspect of a healthy business environment is certainty, especially when it comes to tax policy. The Alaska Chamber is already seeing businesses in other sectors holding back given the uncertainty of the State's fiscal situation. Making and keeping Alaska competitive on a national and global scale is critical to Alaska's long-term sustainability.

HB 111 is just another in a long line of bills attempting to change Alaska's oil and gas taxes. In the last 11 years alone there have been six changes to Alaska's oil and gas taxes. The latest change, House Bill 247, was just signed into law by the Governor last July with many of its provisions having yet to take effect. While there is little that can be done about the volatility of oil prices, we can stabilize our policies.

The Alaska Chamber opposes any effort to increase oil and gas taxes. We need a positive investment climate that provides certainty and stability for statewide oil and gas activities.

Sincerely,

A handwritten signature in black ink, appearing to read 'Curtis W. Thayer', written over a light blue horizontal line.

Curtis W. Thayer
President & CEO