



## *Interior Alaska – The “Place” To Do Business*

100 Cushman St., Suite 102 | Fairbanks, Alaska 99701-4665  
ph (907) 452-1105 | fax (907) 456-6968 | [www.FairbanksChamber.org](http://www.FairbanksChamber.org)

March 19, 2012

Members of the Alaska Interior Delegation  
Alaska State Capitol  
Juneau, Alaska 99801

### **RE: High Cost of Energy**

Dear Members of the Interior Delegation,

The Board of Directors of the Greater Fairbanks Chamber of Commerce appreciates the work that you are doing to address the high cost of energy in the Interior, the Chamber's number one priority this legislative session. Our bi-weekly teleconferences have ensured that the Chamber is informed and engaged regarding the multiple and occasionally conflicting legislative activities taking place in Juneau that impact our community.

The purpose of this letter is to **emphasize and clarify the collective priorities** of the Chamber in reducing the high cost of energy that is severely impacting our residential and business communities. After thorough review of the bills and appropriations currently being addressed this session, the Chamber provides the following recommendations for your consideration.

For the near term (less than 5 years) gas trucking project(s) from the North Slope and gas storage tax credits are the quickest approaches to bring affordable natural gas to the Interior. Immediate actions for longer term solutions include House Bill 9 and exploration tax credits. The top recommendations are summarized below:

1. Capital funding for liquefaction and vaporization facilities that are necessary to supply natural gas to the Interior of Alaska.
2. Legislation providing gas storage tax credits are critical components of supplying gas to the Interior. This methodology has been used in the South-central region to meet storage needs. The same approach and parity should be used for Interior storage needs.
3. The new version of House Bill 9 aligns with the Chamber's ongoing priority for getting reasonably priced gas to the Interior. We strongly support the work being done on a gas pipeline and will work diligently to ensure the issues, such as fair tariffs, will be addressed without preventing passage of the bill.
4. Legislation that provides tax credits for oil and gas exploration in frontier basins is an important piece of the long term energy picture for the Interior.
5. The expansion of a distribution system, as well as low cost energy conversion loans, will prove to be valuable once movement has occurred addressing the supply of natural gas.

#### **I N V E S T O R S**

##### **D I A M O N D**

BP Exploration  
ConocoPhillips  
ExxonMobil  
Fairbanks Daily News-Miner  
Fairbanks Memorial Hospital & Denali Center  
Flint Hills Resources Alaska  
Mt. McKinley Bank  
Santina's Flowers & Gifts

##### **P L A T I N U M**

Alyeska Pipeline Service Co.  
Carlson Center  
Doyon, Limited  
Fred Meyer Stores  
Golden Heart Utilities  
Wells Fargo Bank Alaska

##### **G O L D**

Birchwood Homes  
Denali State Bank  
Design Alaska  
Doyon Utilities LLC  
First National Bank Alaska  
GCI  
Kinross-Fort Knox Mine  
Lynden  
MAC Federal Credit Union  
Northrim Bank  
Sumitomo Metal Mining Pogo LLC  
Usibelli Coal Mine

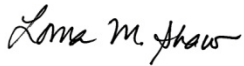
##### **S I L V E R**

ACS  
Alaska Airlines  
Alaska Railroad  
Alaska USA  
AT&T  
Dr. Christopher Henry – Henry Orthodontics  
Everts Air Cargo, Everts Air AK  
Exclusive Paving/Univ. Redi-Mix  
Fairbanks Natural Gas  
Flowline Alaska  
Fountainhead Hotels  
General Teamsters Local 959  
GVEA  
Hale & Associates, Inc.  
JL Properties, Inc.  
Key Bank  
Personnel Plus  
Shell Exploration & Production Co.  
Spirit of Alaska FCU  
Tanana Valley Clinic  
TDL Staffing  
TOTE  
Tower Hill Mines-Livengood Gold Project  
WAL-MART Stores, Inc.  
Yukon Title Company

In addition to the above recommendations, the Chamber continues to support forward movement on the Susitna/Watana Dam project and the re-start of the Healy Clean Coal Plant (HCCP). Specifically, the hydroelectric energy project is a valuable investment for the state to ensure stable electric rates for the next 100 years. The scope of the project however, should be designed for maximum benefit for the ratepayers of the Interior. Both the Susitna/Watana Dam project and HCCP would provide significant energy relief for the Interior.

We respectfully urge the Interior Delegation to act collectively in support of our recommendations.

Thank you again for your hard work,



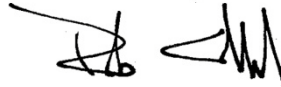
Lorna Shaw  
Board of Directors, Chair



Lisa Herbert  
Executive Director



Brian Newton  
Government Relations Committee, Chair



Bob Shefchik  
Energy Committee, Chair

cc:

The Honorable Governor Parnell  
Senator Gary Stevens, Senate President  
Senator Kevin Meyer, Majority Leader  
Senator Lyman Hoffman, Co-Chair Finance  
Senator Bert Stedman, Co-Chair Finance  
Representative Mike Chenault, Speaker  
Representative Alan Austerman, Majority Leader  
Representative Beth Kerttula, Minority Leader  
Representative Bill Stoltze, Co-Chair Finance  
Representative Bill Thomas, Co-Chair Finance  
Fairbanks North Star Borough Assembly  
Fairbanks City Council  
North Pole City Council  
Membership of the Greater Fairbanks Chamber of Commerce  
Alaska State Chamber of Commerce  
Anchorage Chamber of Commerce  
Consumer Energy Alliance – Alaska  
Alaska Support Industry Alliance  
Alaska Oil & Gas Association