



February 18, 2011

Dear Representatives;

Re: Support of HB110

NANA WorleyParsons has been a long standing Alaska Engineering organization supporting the Oil and Gas industry. We have been extremely proud to recruit highly skilled people from locations throughout North America and relocate them here to Alaska to support our industry. With relocation of these individuals, they have also moved their families and made Alaska their home.

Over the past 3 years, we have seen a startling trend. We are all aware of the economic downturn and how it has impacted the investment climate, both here in Alaska and around the world. This impact was felt heavily in 2009. The more concerning trend is the impact of ACES and how the economy of Alaska is being impacted even now. Resource rich areas have seen their economies recover, even become robust once again. This is not happening here. There has been a continual decline in activity in the oil and gas business and a quite "brain drain" occurring in our state. Whether we like it or not, Alaska is competing for investment dollars and skilled resources. The simple question is "What's going on?"

Three years ago if someone had told us that North Dakota was the place to be, amusement and laughter would have been the result. As of now, this is no longer a laughing matter. We are actually loosing highly skilled people to North Dakota. In addition, recruiting experienced Engineers and Designer to come to Alaska has become extremely difficult with the robust economic activity in Texas, GoM, North Dakota and Canada.

One of our former employees who left to work in the off-shore industry in Texas put it well. When I leave, my wife and 3 kids leave as well. It's not just the lost of my job; it's that my kids are no longer in school or playing hockey at the local rink; we don't shop at the local mall; and my in-laws will not be visiting us next summer to go fishing on the Kenai. The economic impact is felt far beyond just the one pay check.

In order to reverse this trend, action is needed now to make Alaska competitive again. You have all seen the graphs and charts showing the decline in oil production and the impact of this decline on revenues. Alaska can not tax its way into prosperity. What the State of Alaska needs now more then ever is true leadership. Doing what is right, rather than what is popular in the short term demonstrates true leadership. I give Governor Parnell top marks for recognizing change is needed now to secure our future in Alaska.

The key to a long term healthy industry is a balance between exploration, capital investment and a tax structure that works for everyone. Let's reverse the trend and make Alaska competitive on the world market once again. Please support HB110 and be the leaders we know you can be.

Sincerely
NANA WorleyParsons LLC

Allan Dolynny
President and General Manager