

State Positions

*Positions marked with an asterisk are “Top Positions” (previously printed) for 2012

Economic Development

1. **Reform Oil Tax Policy to Encourage New Production

The Alaska State Chamber of Commerce supports the Governor’s efforts to reach at least a million barrels per day of oil production by 2022 by establishing competitive investment opportunities and regulatory taxation policies that will facilitate new oil exploration and production (including from existing fields, new discoveries, viscous and heavy oil) to reverse the dramatic, continuing oil production decline. The Alaska Chamber encourages the Alaska State Legislature to adopt meaningful reform during the 2012 Legislative Session to ensure a stable economy and jobs for Alaskans.

2. Support High Growth Tech Industries

The Alaska State Chamber of Commerce encourages the State of Alaska to take advantage of the Small Business Jobs Act of 2010 to provide incentives to Alaska businesses to incorporate as C corporations, making it easier to attract investment to Alaska. Many States are taking advantage of a provision in the Small Business Jobs Act of 2010 to provide a limited exemption for businesses that fall under the Qualified Small Business definition under section 1202 of the Internal Revenue Code. The Alaska Chamber supports appropriate incentives, through legislation, which will aide the diversification of Alaska and help secure a sustainable economy far into the future.

3. Support Tideland Flat Lease Fees

The Alaska State Chamber of Commerce supports sound and predictable management of Alaska’s land, including tidelands. The Alaska Chamber supports amending Alaska’s Title 38 to establish a flat fee in the amount of \$100 per lease, per year during periods of two or more years of dormancy when the leaseholder is the upland landowner. Use, access and the ability to cross the state of Alaska’s tidelands is critical to access saltwater for marine transportation to receive supplies or transport goods and products to markets. Tideland leaseholders make significant investments in obtaining the leases, associated permits, and infrastructure development on State lands or on neighbor privately owned uplands.

Operations over time may lapse into periods of prolonged dormancy either by design, as in the case of forest operations, or due to business conditions. Most leaseholders, especially upland landowners, are reluctant to let go of the lease due to their investment and uncertainty of being able to get a lease in the future when operations resume. Consequently, in order to protect the lease, leaseholders must pay the annual fee during these periods of dormancy, even in the absence of any business operations to generate revenue for that lease. This can be a significant financial burden on businesses

holding these leases and can be a disincentive for long-term business planning and investment.

4. Support Film and Television Production

The Alaska State Chamber of Commerce supports film and television production incentives that have a profit sharing feature such that successful productions return some of their credit back to the state.

5. Support Shellfish Mariculture Industry

The Alaska State Chamber of Commerce supports diversification of Alaska's economy, including use of appropriate incentives to spur investment in Alaska. Shellfish farming has been identified as one of the top economic development opportunities in efforts to rebuild the economy of the Tongass National Forest of Southeast Alaska. Overcoming high front-end capital costs and a long lag in revenues has been identified as two of the bigger impediments in developing more shellfish farms in Alaska.

The Alaska Chamber believes Alaska's fledgling shellfish mariculture industry needs strong support from the state of Alaska before it can be considered a viable industry. Because the state of Alaska owns all the tidelands and waterways, the nascent Alaska shellfish mariculture industry cannot realize its full potential without strategic support from the State of Alaska including establishment of a mariculture revolving loan fund, deferred tidelands lease fees, and establishment of a sustainable DEC testing program.