

# 70 & 148, LLC

• 1421 Blake Street • Denver, CO 80202 •  
Phone 303-623-1821 • Fax 303-623-3019

---

April 9, 2013

The Honorable Bill Stoltze, Chairman  
Alaska House Finance Committee  
State Capitol, Room 515  
Juneau, Alaska 99801

RE: Senate Bill 21

Dear Chairman Stoltze:

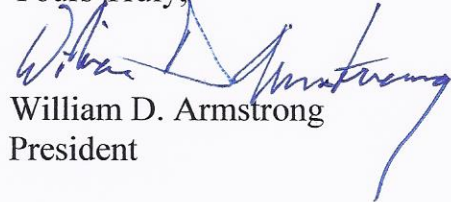
Thank you for giving me the opportunity to testify in front of the House Finance Committee today. I would like to commend the entire legislature for bringing forward a bill that not only encourages development of new and existing fields, but also protects the state from paying the big tax credit dollars to oil companies, that occurs under ACES.

We strongly support Senate Bill 21 (SB 21) and respectfully ask that it be passed into law with one small modification. As there have been numerous iterations of SB 21, I want to set forth what I believe are the terms of the current version:

Net Profits Tax: 33%  
Loss Carry Forward Tax Credit: 33%  
Gross Revenue Exclusion: 20%  
Production Tax Credit: \$5 per barrel  
Small Producer Tax Credit: Extended to 2022.

We believe that the Gross Revenue Exclusion should be increased to 30% in order to entice new companies to come to the North Slope and develop new oil fields. As a tradeoff, we feel the Net Profits Tax and the Loss Carry Forward Tax Credit could both be increased to 35%, if we were able to obtain the 30% Gross Revenue Exclusion (at least for the one sixth royalty leases). Thank you for your consideration of these comments.

Yours Truly,



William D. Armstrong  
President