
Analysis of Alaska's Tax System, North Slope Investment and The Administration's Proposal SB 21

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Econ One: Who We Are

- **Economic Research and Consulting Firm**
 - **Provides Economic Analysis In Energy and Other Industries**
- **Advised the State of Alaska on Petroleum Related Matters For Over Two Decades**
- **Worked With the Cowper, Hickel, Knowles, Murkowski, Palin, and Parnell Administrations**
- **Assisted the Legislature Between 2005 and 2008 on Tax and Gas Development Issues**
- **Energy-Related Work Outside Alaska**
 - **State Governments: Texas, Louisiana, New Mexico, Oklahoma, California**
 - **Federal Government Agencies: Department of Interior, Federal Trade Commission**
 - **Energy Companies: Producers, Refiners, Mid-Stream Services, Pipelines, Chemicals**

Benchmarking North Slope Activity Over The Past Decade Against Other Areas

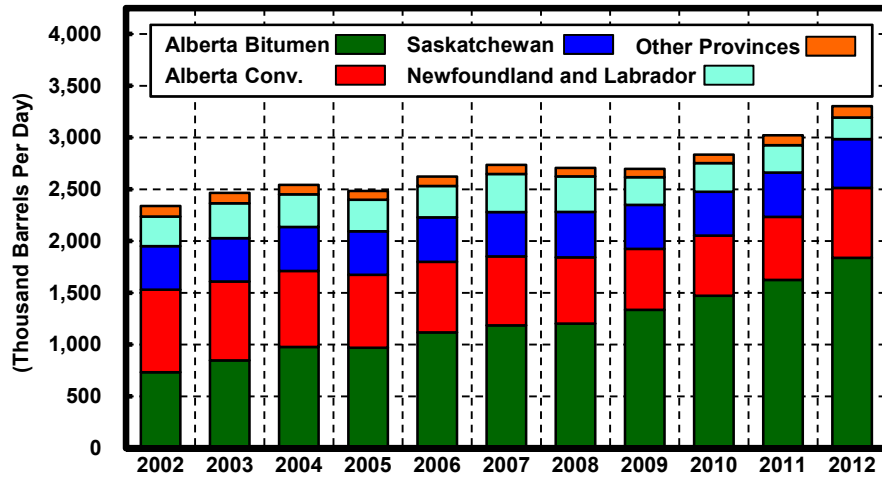
Benchmarking

- **Benchmarking Allows Us to Evaluate Activity in Alaska by Controlling for Significant Variables That are Common to All Oil Producing Properties**
- **No Two Producing Areas are Exactly Alike. We Attempt to Choose Locations That Share a Number of Similar Characteristics, Allowing for the Most Meaningful Comparisons**
- **We Benchmark the North Slope Against Significant Producing Areas in OECD Countries**
 - **The North Sea**
 - **The U.S. and Several Key Producing States / Areas**
 - **Canada and Producing Provinces**
 - **Australia**
- **All of These OECD Areas Have Many Characteristics in Common With North Slope**
 - **Similar Political and Legal Structure / Risk**
 - **Significant Prospectivity**
 - **But, Much of the “Low-Hanging” Fruit Has Been Produced**
 - **Development of Remaining Resources are Largely High-Cost, Either Conventional or Unconventional**
 - **Resources are Developed in Large Part by the Private Sector**

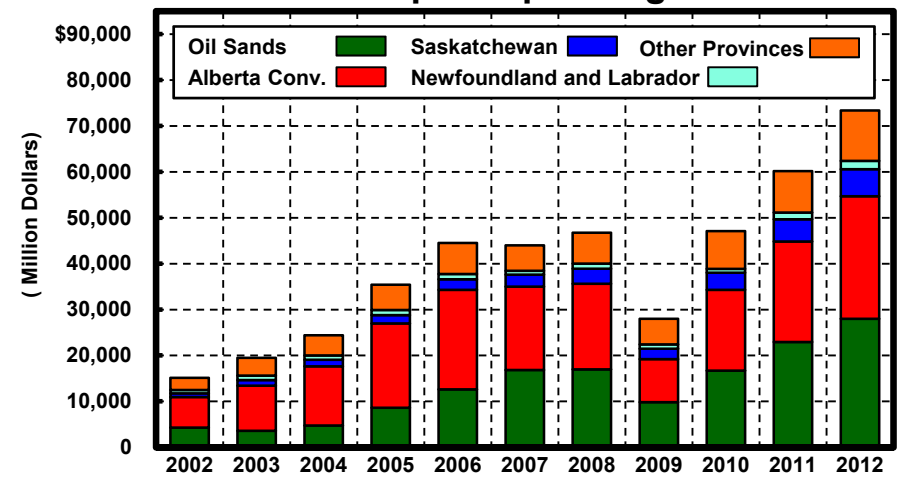
Country/Area Profile

Canada

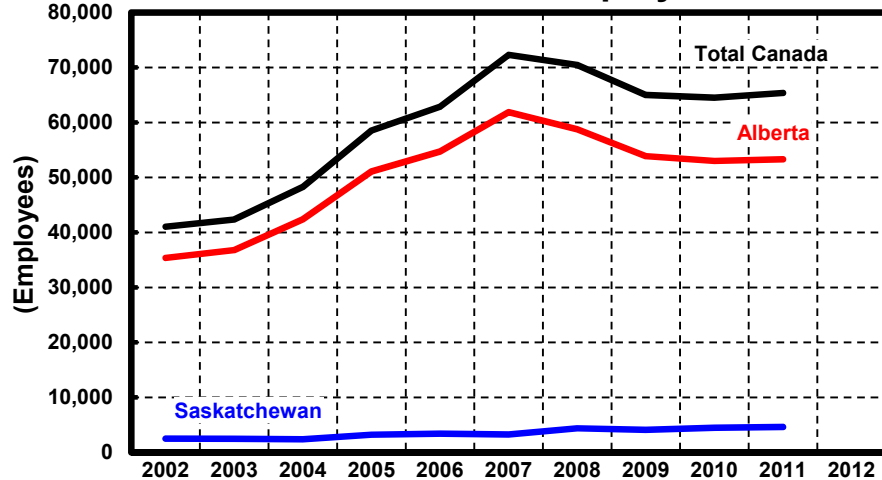
Crude Oil Production



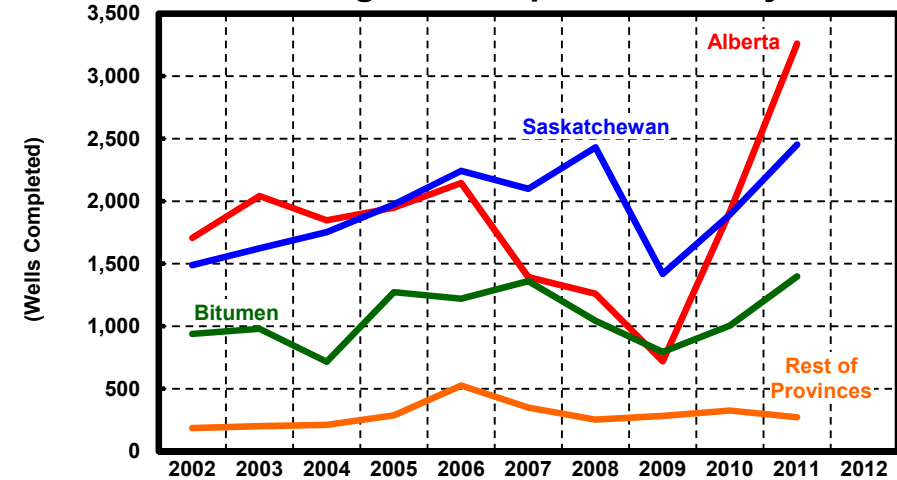
Capital Spending



Petroleum Sector Employment



Drilling / Development Activity



Note: 2012 figures are preliminary.