

3521 Andree Dr.
Anchorage, AK 99517

February 4, 2013

RE: Testimony to Senate Special Committee on TAPS Throughput on SB 21

Co-Chairs Micciche and Dunleavy and Senators on the Committee:

My name is Peter J. Stokes a professional petroleum engineer working for Petrotechnical Resources of Alaska.

Thank you for your service and for letting me and other members of the public testify on this important piece of oil tax reform that is needed to increase investment and new production in Alaska.

I live and work in Anchorage. I am on the Board of the Alliance and Chair of the University of Alaska CEM Advisory and Development Council.

I am testifying on behalf of myself, my 3 offspring who work in Anchorage and 2 grandsons and their future.

I grew up on the Kenai Peninsula, went to college in Fairbanks and have worked in oil and gas, starting in Alaska, with jobs in other states and overseas and working for the last 10 years in Anchorage.

I support the Governor's concepts to make Alaska more competitive in attracting increase investments to increase Alaska North Slope production and I urge passage of legislation to make meaningful reforms this year.

Senate Bill 21 is a good start to achieve this goal, but modifications should include:

- 1) Allow small explorers to continue to sell loss credits generated from exploration prior to production. Taking away this ability will negatively impact those that are currently exploring as it will change the terms which were used to attract exploration funding, it will significantly increase the cost of exploration, and in the unsuccessful case will mean that credits are not redeemable, thus changing the economic risk and rewards of exploration in Alaska.
- 2) Incentivize development within existing PA's by having the DNR determine a baseline decline for existing production. Any new production above this baseline will be eligible for GRE credit.

Without new exploration and the continued development of new oil within existing PA's, the efforts to increase production into TAPS will likely be reduced.

In summary, I urge you to allow Alaska to become more competitive in investments for new oil production for both explorers and existing producers.

Chairmen and Senators, thank you again for all of your efforts.

I represent the Alaska Trucking Assn. and our members in the transportation industry. Our members are known for their common sense approach, a hard work ethic and a fearless attitude in dealing with the all the obstacles that travel in Alaska brings.

We are extremely concerned with the declining oil production and the flow of TAPS. Alaska has been fortunate to have a projected 20 year pipeline now on it's 35th year. Because of that maintenance is what is currently driving much of the North Slope activity.

Increased production will ensure Alaska a stable future, with dependable state revenue, a growing economy, and profitable producers and support companies.

We agree with the Governor that a new tax plan should be simple and stimulate new production.

We must act now to keep Alaska competitive in what is now a world market. We have the resources. Now is the time to use forward thinking and creative ideas to take control of our future.

We believe that what we do now will set the standard of how business can be done with Alaska. If we get this right, the basic business model will be in place to also attract other development in natural gas, shale gas and oil, and mining. Our resources are our future and we should be in control without federal regulatory overreach.

The tax reform issue has been on the table for three years. We urge you to get a plan done and let's get back to work.

Jim Scherrieble
Kenworth Alaska

Lynne Smith

From: Ken Caron <kcaron@gci.net>
Sent: Thursday, January 31, 2013 7:47 AM
To: Sen. Peter Micciche
Subject: Message concerning oil and gas production from concerned citizen

Dear Senator Micciche,

I missed the public hearings held at statewide Legislative Information Offices (LIOs) last Tuesday I would like to make the following comment:

The decline in oil production and the dwindling flow of oil through the Trans Alaskan pipeline is alarming to me. It appears the current legislature has failed to make any headway on increasing the production of State owned oil. Our Governor has a new idea that I believe could stimulate the production of oil on the North Slope, and possibly gas reserves as well. If the legislature hasn't been able to get the job done, please try something new. Give the Governor and (his advisors) a chance to prove their point. It's shortsighted to believe the oil producers won't increase production. If the lower tax levels (for the producers) fail to create greater revenue from increased oil flow or even if the revenue remains the same at least there will be jobs.

The oil companies produce jobs and community income, not just oil & gas products. Thank-you.

Ken Caron – Anchorage / Girdwood