

April 2, 2016

Representative Mark Neuman  
Representative Steve Thompson  
Representative Dan Ortiz

Gentlemen,

The Alaska Forest Association supports the current oil tax policy in Alaska

The Alaska Forest Association (AFA) is a non-profit business association that was formed in 1957 to represent the interests of the timber industry in Alaska. The AFA currently manages a pension program, a group health insurance program, a scholarship program for the timber industry and also sponsors the Sustainable Forestry Initiative program for Alaska.

According to the information provided by AOGA, many of the oil and gas businesses in Alaska are currently operating at or below a break even and raising their taxes at this time could result in significant job losses. The Alaska Forest Association does not support raising taxes on the oil industry while the industry is already struggling to remain profitable.

The timber industry in Alaska pays competitive rates for timber sales and, similar to the oil and gas companies, the stumpage rates are usually a small percentage of the overall cost of business. However, when market prices are low, the stumpage rates can mean the difference between operating and shutting down. Similarly, increasing oil taxes may result in oil and gas job losses in the short term and who knows how that will impact the industry in the long term.

We urge you to encourage more private business activity through efforts to create a more friendly business environment rather than increasing taxes. For instance, the State timber sales in Southeast Alaska are much less costly to operate than timber sales on adjacent federal land. These lower costs make State timber sales more profitable for both the industry and the State. That is one reason why we are seeking to establish a larger State Forest in Southeast Alaska. Perhaps the State can work with the oil industry to find similar savings.

Sincerely,



Owen Graham  
Executive Director  
Alaska Forest Association.

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**From:** Rep. Steve Thompson  
**Sent:** Thursday, March 31, 2016 5:59 PM  
**To:** Helen Phillips  
**Cc:** Jane Pierson  
**Subject:** FW: Constituent Opposition to HB 247

**From:** Dan Schok [mailto:dan@twosalaska.com]  
**Sent:** Thursday, March 31, 2016 4:25 PM  
**To:** Rep. Tammie Wilson <Rep.Tammie.Wilson@akleg.gov>; Rep. Steve Thompson <Rep.Steve.Thompson@akleg.gov>  
**Cc:** Sen. Click Bishop <Sen.Click.Bishop@akleg.gov>; Sen. Pete Kelly <Sen.Pete.Kelly@akleg.gov>; Sen. John Coghill <Sen.John.Coghill@akleg.gov>  
**Subject:** Constituent Opposition to HB 247

Representative Thompson & Representative Wilson,

As you know, I am currently running The Welding Shop out here in Fox, Alaska. It is a family owned business purchased in 2011 from Tommy King, who ran it as a family business for over 30 years. We have been providing goods and services to the producers up North since the inception of the pipeline. As a fellow "Fairbanksian" you recognize the difficulty of doing business in this climate; and so far I have not witnessed government doing much to help the cause. We are now looking at raising taxes on my clients for the 6th time in 11 years through HB247 to fund government spending. Taking away tax credits and increasing the gross tax IS a tax increase and undermines the industry's ability to plan due to an instable tax climate. In fact, when Governor Walker vetoed the new producer tax credits last year, I had clients cancel projects that would have created work for my 26 full time employees. Instead, I have piles of pipe and beam in my yard meant for VSM and HSM production, now on the backburner until the companies have a stable work environment.

I can appreciate as a business owner that a STABLE tax environment is critical to business investment. If you are in favor of the Bill to increase government revenues to the detriment of small businesses like mine, please reconsider. If you are currently opposed to the bill, I appreciate your support of small business. Because investment from the large producers invariably means my shop gets busy again.

Please contact me with any questions or concerns. Additionally, please distribute among committee members, House members.

Dan Schok, PE

President

The Welding Shop, Inc.

Fox, AK

907/457-3426

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**From:** Lynette Bergh  
**Sent:** Monday, April 04, 2016 9:23 AM  
**To:** Helen Phillips  
**Cc:** Jane Pierson  
**Subject:** FW: Constituent Opposition to HB 247

**From:** Genevieve Schok [mailto:genevieve@flowline-alaska.com]  
**Sent:** Friday, April 01, 2016 3:08 PM  
**To:** Rep. Tammie Wilson <Rep.Tammie.Wilson@akleg.gov>; Rep. Steve Thompson <Rep.Steve.Thompson@akleg.gov>  
**Cc:** Rep. David Guttenberg <Rep.David.Guttenberg@akleg.gov>; Rep. Scott Kawasaki <Rep.Scott.Kawasaki@akleg.gov>  
**Subject:** Constituent Opposition to HB 247

Happy Friday to my Local Fairbanks Legislators! Genevieve Schok with Flowline Alaska here. Please read my thoughts on 247 and please pass on to your committee members.

As you listen to debate on HB 247, please keep in mind the trickle effect that dis-incentivizing our biggest industry has on small businesses. Flowline Alaska is right in the Heart of Fairbanks and we service the needs of the producers by providing corrosion coatings, pipeline insulation and welding, among other things. Our employee parking lot is a barometer for the economy in Fairbanks, and we have a lot of open parking spots. After SB 21 we saw an uptick in work and planning; now with oil prices hitting record lows, we see our clients fighting to keep projects online. If we change their tax structures AGAIN for the 6<sup>th</sup> time in less than a dozen years, I am not optimistic about further investments. SB 21 IS working & frankly we should be doing more to spur investment from the resource industry instead of taxing them more.

Please remember that when you take away money from the private sector to fund the public, it hurts those of us that employ your constituents and all of our local vendors. Like clockwork, every other year we have to keep lobbying the legislature for the right to work; please keep Alaska competitive by tossing HB 247 in its entirety and fund our bloated government another way.

Genevieve Schok Jr.

Flowline Alaska

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