



Written Testimony for House Resources Committee on HB 111

February 28, 2017

House Resources Committee
Alaska State Capitol
Juneau, AK 99801

Dear Co-Chairs Tarr and Josephson and Members of the Committee:

My name is Elizabeth Cravalho and I am the Vice President of External and Government Affairs at NANA.

At NANA, our mission is to improve the quality of life for more than 14,300 Iñupiat shareholders by maximizing economic growth, protecting and enhancing our lands, and promoting healthy communities with decisions and behaviors guided by our Iñupiat Illitqisiat, which is our traditional value system.

NANA is a for-profit corporation with a social responsibility to its shareholders, and like many Alaska companies, has a vested interest in working toward stabilizing the State's fiscal health while maintaining an oil tax structure that keeps Alaska competitive in the global oil and gas markets.

NANA companies have provided services to the oil industry for over thirty years. We provide a variety of services to the oil, gas and mining industries, and specialize in multiple disciplines, including engineering and design, project management, project controls, procurement construction management, camp services, catering, surveying and environmental sciences. NANA businesses, in total, employ more than 1,500 Shareholders, over 5,000 Alaskans and nearly 15,000 individuals worldwide.


As such, we have concerns with the proposal of another change to the oil tax structure in Alaska. It threatens the jobs and futures of our shareholders and Alaskans who have built lives for themselves and their families through opportunities created by the development of the oil and gas industry. This industry has yielded positive economic and social impacts through jobs, training, cultural and social investment and education support.

NANA has been fully engaged with the State's oil tax issue over the past decade and we stand by our past positions in which we supported of the passage of Senate Bill 21 in 2013 and our opposition of the referendum to repeal the bill in 2014. HB 111 creates a less competitive environment in the oil and gas sector, and contributes to the ongoing instability in taxation and regulation by the State of Alaska for this industry.

While NANA supports the implementation of a long-term fiscal plan by the State, we do not support yet another overhaul of the oil tax structure in Alaska because it presents further risk to exploration and development of resources. Rather, we suggest that the Committee look to other broad-based measures to raise revenue for State government without impairing a specific industry, or to the detriment of Alaskan families, especially those in rural areas, who already pay the highest cost of living in the State.

Fiscal security in Alaska is intrinsically tied to the oil and gas industry. We support forging long-term benefits and partnerships, rather than creating an environment in which options are limited and economic stability continues to be compromised.

Sincerely,



Elizabeth Cravalho,
Vice President, External & Government Affairs