



ALASKA OIL & GAS ASSOCIATION
People. Pride. Petroleum.

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Steve Wackowski, President & CEO

March 24, 2026

Senate Finance Committee
Alaska State Capitol
Juneau, AK 99801

Dear Co-Chairs and Members of the Senate Finance Committee,

On behalf of the Alaska Oil and Gas Association (AOGA), a professional trade association representing the majority of exploration, production, refining and transportation companies in Alaska, we write to convey our firm opposition to Senate Bill 227 version G, as advanced by the Senate Resources Committee.

In its fiscal note for SB 227 the Alaska Department of Revenue states: *"The revenue impact of this provision is highly uncertain, as it would fundamentally reshape the fiscal system for oil and gas as well as the economics of exploration, development, and production... The production tax regime implemented in this bill would make most fields in Alaska uneconomic to operate for the entirety of the 10-year forecast and beyond, under the Fall 2025 forecast."*

We agree with that assessment. AOGA's initial analysis indicates this proposal represents a production tax increase of shocking proportions, which would materially degrade project economics and eliminate the profitability of multiple North Slope and Cook Inlet developments, including new projects such as Pikka and Willow.

Despite the significance of these impacts, this sweeping rewrite of Alaska's oil production tax system was presented to stakeholders and the public approximately one hour before it was advanced from committee, without any opportunity for input, expert testimony, or economic analysis.

If the Senate Finance Committee chooses to consider this provision—or any changes to Alaska's oil tax system—we respectfully request a deliberate process that includes robust modeling, public and stakeholder engagement, and a clear understanding of the long-term impacts to production, TAPS throughput, and the revenues that underpin state government and investment resources for the Permanent Fund.

Absent that rigor, there is a real risk of undermining the investment and production upon which Alaska's fiscal future depends.

Respectfully,

A handwritten signature in black ink, appearing to read 'Steve Wackowski', written over a horizontal line.

Steve Wackowski
President & CEO
Alaska Oil and Gas Association

CC: Senate Resources Committee