

**From:** Linda Leary

**Sent:** Monday, February 18, 2013 3:56 PM

**To:** Sen. Cathy Giessel; Sen. Fred Dyson; Sen. Peter Micciche; Sen. Click Bishop; Sen. Lesil McGuire; Sen. Anna Fairclough; Sen. Hollis French

**Subject:** Support for SB 21

Dear Chair Giessel and members of the Senate Resource Committee,

I am writing in support of SB 21 regarding increased oil production. My support comes from my business experience in running a company, Carlile Transportation, which relies on revenue from the oil and gas industry –not just producers but the support companies that accompany them as well. This is not our only slice of the pie in Alaska; however, I and our 650 employees are gravely concerned over the course of this industry as we plan for our own futures. It represents an extremely important industry and market for us.

As a state, we need to be competitive for investment dollars in a world market. When we are looking at changing our tax structure we need to keep in mind that these companies are competing with markets all over the world. They have the option of coming or going –we want them here!

The Governor's proposal supports fair progressivity. This is a must for a win- win situation.

Alaska's tax policy needs to encourage investment in legacy fields, as well as new fields. The Governor's proposal encourages this new production. It takes an average of 5-7 years to reach production when an exploration well is successful. It doesn't just happen overnight. We don't have time to keep waiting.

Tax policy changes of the past have certainly had a reduction effect on new revenues. Three out of every four dollars being spent currently, are on repairs and maintenance instead of enhancements. We should be able to say the opposite is true and we can. Change the tax structure to be fair and encourage new production for the long term.

The oil left in the legacy fields such as Prudhoe and Kuparuk requires significant investments to recover it, and we need it, to fill the pipe. The short term work going on is nice, but for the long term viability of The State, bottom line is we need to increase production.

It is more important to our children and grandchildren than to us. That is what legacy is all about. Now is the time to take action and create a plan that is sustainable for the long term.

Our managers at Carlile are reading a book titled *A Sense of Urgency*, in the book author John Kotter stresses the importance of "a determination to move, and win, now." It is an ambitious determination to push beyond the obstacles. I ask, with urgency, that you support SB 21. We need this win for Alaska, our economy, our citizens and generations to come.

Regards,

Linda Leary

President

Carlile Transportation Systems