



# Interior Alaska – The “Place” To Do Business

100 Cushman St., Suite 102 | Fairbanks, Alaska 99701-4665  
Phone (907) 452-1105 | fax (907) 456-6968 | www.FairbanksChamber.org

April 11, 2014

## RE: Letter of Support for House Bill 287 – As Amended

Dear Representatives Austerman & Stoltze and members of the House Finance Committee,

The Greater Fairbanks Chamber of Commerce is a business advocacy organization that currently represents over 700 businesses. Our advocacy efforts aim to ensure that the Interior of Alaska has a strong and healthy economic environment and that the greater Fairbanks area is an attractive place for business. We believe that House Bill 287, as amended will help stabilize the refining industry, which is of great significance to not only our local economy, but to the statewide economy as well. As such, the Greater Fairbanks Chamber of Commerce asks that House Bill 287, as amended, be passed into law before the conclusion of this legislative session.

The Chamber is very concerned about the economic viability of the in-state refining industry. Immediately after the Flint Hills Resources announcement, our Board of Directors formed a special in-state refining committee and passed a resolution encouraging actions to address the pending closure (attached).

Since the announcement, our Chamber appreciates the efforts of Governor Parnell, Attorney General Geraghty, ADEC Commissioner Hartig and members of the Interior Delegation to address the numerous challenges that face the in-state refining industry, including Flint Hills Resources.

These challenges certainly include the high cost of royalty oil and the high cost of doing business in Alaska. The Chamber defers to the Governor, the Legislature, and the industry as to how best to address each of these issues. However, it is clear that HB 287 is an effort by those directly involved to make positive changes to some of the significant competitive factors that challenge the industry, and to do so in a manner that is equitable to all in-state refiners.

On that basis, the Greater Fairbanks Chamber of Commerce urges the passage of HB 287, as amended.

Sincerely,

### THE GREATER FAIRBANKS CHAMBER OF COMMERCE

Steve Lundgren  
Board of Directors, Chair

Lisa Herbert  
Executive Director

Cc: Governor Sean Parnell  
Commissioner Joe Balash, Department of Natural Resources  
Sarah Sweeney, Arctic Slope Regional Corporation  
Doug Chapados, Petro Star Inc.  
Jeff Cook, Flint Hills Resources

#### INVESTORS

##### DIAMOND

- BP Exploration
- ConocoPhillips
- ExxonMobil
- Fairbanks Daily News-Miner
- Fairbanks Memorial Hospital & Denali Center
- Flint Hills Resources Alaska
- Mt. McKinley Bank

##### PLATINUM

- Alyeska Pipeline Service Co.
- Doyon, Limited
- Fred Meyer Stores
- Golden Heart Utilities
- Wells Fargo Bank Alaska

##### GOLD

- Birchwood Homes
- Carlson Center
- Denali State Bank
- Design Alaska
- Doyon Utilities LLC
- First National Bank Alaska
- GCI
- Kinross Fort Knox Mine
- Lynden
- Northrim Bank
- Sumitomo Metal Mining Pogo LLC
- Usibelli Coal Mine
- WAL-MART Stores, Inc.

##### SILVER

- Alaska Airlines
- Alaska Communications
- Alaska Railroad
- Alaska USA
- Dr. Christopher Henry  
Henry Orthodontics
- Everts Air Cargo, Everts Air AK
- Exclusive Paving/Univ. Redi-Mix
- Fairbanks Natural Gas
- Flowline Alaska
- General Teamsters Local 959
- Golden Valley Electric Association
- Hale & Associates, Inc.
- JL Properties, Inc.
- Key Bank
- MAC Federal Credit Union
- Personnel Plus
- Sam's Club
- Shell Exploration & Production Co.
- Spirit of Alaska FCU
- State Farm Insurance  
Tammy Randolph, Agent  
Ed Randolph, Agent
- Tanana Valley Clinic
- TDL Staffing
- Tower Hill Mines-Livengood Gold Project
- University of Alaska Fairbanks
- Verizon Wireless
- Vivlamore Companies
- Yukon Title Company



Introduced By: Flint Hills Resources Ad Hoc Committee  
Date Introduced: Monday, February 24, 2014  
Date Passed: Monday, February 24, 2014  
Date Transmitted: Tuesday, February 25, 2014

**I N V E S T O R S**

**D I A M O N D**

BP Exploration  
ConocoPhillips  
ExxonMobil  
Fairbanks Daily News-Miner  
Fairbanks Memorial Hospital & Denali Center  
Flint Hills Resources Alaska  
Mt. McKinley Bank

**P L A T I N U M**

Alyeska Pipeline Service Co.  
Doyon, Limited  
Fred Meyer Stores  
Golden Heart Utilities  
Wells Fargo Bank Alaska

**G O L D**

Birchwood Homes  
Carlson Center  
Denali State Bank  
Design Alaska  
Doyon Utilities LLC  
First National Bank Alaska  
GCI  
Kinross Fort Knox Mine  
Lynden  
Northrim Bank  
Sumitomo Metal Mining Pogo LLC  
Usibelli Coal Mine  
WAL-MART Stores, Inc.

**S I L V E R**

Alaska Communications  
Alaska Airlines  
Alaska Railroad  
Alaska USA  
Dr. Christopher Henry – Henry Orthodontics  
Everts Air Cargo, Everts Air AK  
Exclusive Paving/Univ. Redi-Mix  
Fairbanks Natural Gas  
Flowline Alaska  
General Teamsters Local 959  
Golden Valley Electric Association  
Hale & Associates, Inc.  
JL Properties, Inc.  
Key Bank  
MAC Federal Credit Union  
Personnel Plus  
Sam's Club  
Shell Exploration & Production Co.  
Spirit of Alaska FCU  
Tanana Valley Clinic  
TDL Staffing  
Tower Hill Mines-Livengood Gold Project  
University of Alaska Fairbanks  
Verizon Wireless  
Vivlamore Companies  
Yukon Title Company

**RESOLUTION 14-0224B**

**A RESOLUTION BY THE GREATER FAIRBANKS CHAMBER OF COMMERCE TO SUPPORT THE IN-STATE OIL REFINING INDUSTRY**

**WHEREAS**, the Greater Fairbanks Chamber of Commerce represents its members by advocating for a healthy economic environment that promotes the greater Fairbanks area as an attractive place for both business and community; and

**WHEREAS**, the closure of the Flint Hills Resources refinery is of grave concern to the Chamber because of the significant negative impacts to the local and state economies.

**NOW, THEREFORE BE IT RESOLVED**, that the Fairbanks Chamber:

1. Supports the efforts underway by government and industry leaders to engage directly and immediately to take all prudent actions necessary to preserve and expand whatever in-state value added oil refining is feasible.
2. Recommends that all responsible parties work to segregate the refinery surface estate from the legacy environmental issues if possible in order to improve the opportunity for successful restructuring that might allow future refinery operations by a new owner to proceed, while ensuring that the environmental issues are properly addressed.
3. Acknowledges the Alaska Department of Environmental Conservation's responsibility to manage the environmental issues, which must be based on transparent, defensible, peer reviewed science and site specific risk assessment.
4. Recommends continued efforts to lower the cost of energy into the Interior to improve the opportunity for refinery operations to be competitive.
5. Recommends a thorough reevaluation of the state royalty contracts in the context of overall statewide benefit to citizens to include: railroad, tax base, jobs, re-investment of local energy dollars instead of exporting those dollars, and state revenue.
6. Recommends that local governments take appropriate actions necessary to support the local refinery industry.

**BE IT FURTHER RESOLVED** that this resolution be distributed to:

Governor Sean Parnell, State of Alaska  
Lieutenant Governor Mead Treadwell, State of Alaska  
Mike Nizich, Chief of Staff, Governor Parnell  
Randy Ruaro, Deputy Chief of Staff, Governor Parnell  
Alaska State Legislature  
Commissioner Joe Balash, Alaska Department of Natural Resources  
Commissioner Larry Hartig, Alaska Department of Environmental Conservation  
Fairbanks North Star Borough  
City of Fairbanks  
City of North Pole  
Alaska Chamber  
Resource Development Council of Alaska  
Alaska Oil & Gas Association  
The Alliance  
Consumer Energy Alliance - Alaska  
Fairbanks Daily News-Miner  
Membership of the Greater Fairbanks Chamber of Commerce

**THE GREATER FAIRBANKS CHAMBER OF COMMERCE**



Steve Lundgren  
Board of Directors, Chair



Lisa Herbert  
Executive Director