

HB

4004

HFIN

FILE



UNITED FISHERMEN OF ALASKA

211 Fourth Street, Suite 110
Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2545 Fax
E-Mail: ufa@ufa-fish.org
www.ufa-fish.org

July 28, 2008

Representative Mike Chenault, Co-Chair
Representative Kevin Meyer, Co-Chair
House Finance Committee
Alaska State Legislature
State Capitol, Room 434
Juneau, AK 99801

Dear Representative Chenault, Representative Meyer, and Committee Members,

Last week we delivered to your office, and to the Governor, copies of petitions signed by over 1,800 Alaska commercial fishermen seeking help from fuel prices. We appreciate the initial response from the governor's office with the introduction of HB 4004, calling for a temporary suspension of the state motor fuel tax. Although this measure is considered to help urban fuel users more than it will benefit rural residents, still it is likely to provide at least some benefit to thousands of commercial fishermen statewide.

While it may or may not be possible to create perfectly fair and comprehensive programs that benefit all Alaskans in accordance with their individual situations, we ask that you support HB 4004 as one measure that can be put into place quickly to bring some relief to high motor fuel prices.

United Fishermen of Alaska is the largest statewide commercial fishing trade association, representing 37 commercial fishing organizations participating in fisheries throughout the state and its offshore waters. We appreciate your attention to the difficulties facing Alaska's fishermen and fishing communities.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Vinsel'.

Mark Vinsel
Executive Director

CITY OF SCAMMON BAY

P.O. BOX 90
SCAMMON BAY, ALASKA 99662
(907) 558-5529 FAX (907) 558-5626
cityofscmbay@gcl.net

7/29/08

To: Energy Committee Chairman
Representative Gabrielle LeDoux

I am James Akerelea, City Manager for City of Scammon Bay. We support the \$1,200.00 energy rebate which was proposed by our Governor Palin. We also support the AVCP Executive Board Resolution titled, 2208 Fuel Emergency Declaration and Relief Program.

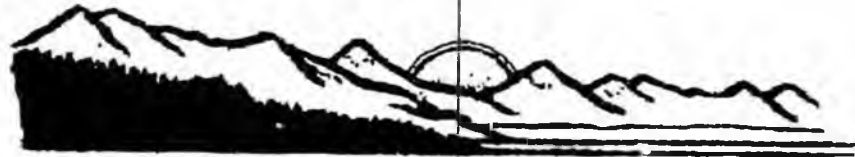
The Energy Rebate from the State of Alaska couldn't be the right timing because in the Yukon Delta we had a very poor return of Salmon. This is going to hurt many of the families that depend on seasonal income and for some families this is the only income they make for the whole year.

We are experiencing high energy cost in the village of Scammon Bay more so than the larger cities. The increase in the fuel cost also increases the basic food items, electricity cost, round trip fare from Bethel and every thing else that we have to pay or purchase Locally or from outside of the village.

Enclosed with my testimony I have data that shows cost of fuel from last year to present and cost of basic items that we purchase from the local store for cost comparison.

Last years landed cost for diesel fuel was \$2.87 and this year landed cost will be \$4.96. There is about 45% increase. The round trip ticket with Grant and Hageland use to be \$200.00 and within a year it has increased to \$390.00.

Should you have any questions please do not hesitate to call me at a given phone number on the letterhead. Thank you for your consideration.



*C/o James
Akercher*

Scammon Bay Association, Inc.

P.O. Box 50
Scammon Bay, Alaska 99662

7-21-08

(907) 558-5211

FAX (907) 558-5963

following items sold at this store

- 3902 Coffee \$ 16 75
- 5 LB C&H Gran. Sugar \$ 9 29
- 2 LB Pullit Bread \$ 7 70
- 3 LB Crisco 9 39
- 100 ct. Tea bag (Lipton) \$ 7 15
- 1202 can Cremation milk 2 29 ea
- 2402 CARM Flakes 8 19
- 5 LB Rice Reg 8 45
- 4202 Minute Rice 8 69
- 10 LB flour \$ 16 05
- 52 ct. Diapers Huggies \$ 35 23

Ben Uttergale mgr

Fax to: Anthony Ulak 907-558-5626



PLEASE SEND INQUIRIES OR REMITTANCE TO:
Crowley Petroleum Distribution, Inc.
201 Arctic Slope, Anchorage, AK 99518-3033
(907) 777-5505 1-800-478-5608 Fax (907) 777-5560

Please note: THIS BOOKING IS A FIRM ORDER!

City of Scammon Bay
P.O. Box 90

Scammon Bay AK 99662

Deliver to: City of Scammon Bay
At: Scammon Bay

Booking Number: 9754

Date Booked: 06/28/2007
Date Issued: 06/28/2007

PO No.: NSG
Required by: fall

Fed. Registration 2007 cd1
State QD: 06 cd8

PAYMENT TERMS:
Net 30 days unless otherwise noted.

Package Product	Quantity	Fed	Sta L	Price	Total F S Voy
BULK HF#1 CLEAR	9000	0.000	0.000 X	2.8677	\$25,809.30 1C,8

Please Note Booking # Above
Customer Copy
Keep for Records
No Signature Required

Quantity total	9000	Subtotal	\$25,809.30
		Local Tax 0.00%	\$0.00
		TOTAL	\$25,809.30

Pricing reflects marketing agreement between NorthStar Gas & Crowley

James Akerelelea 907.558.5529

- Prices are indexed between 05/08/07 to date(s) of barge loading at origin as follows: Jet/#1 to Plattz LA Jet and Unlead to OPIS Rack Sea Unl Clear Gross posting.
- Pricing is based on above quantities and does not include fees for trucking, wharfage, storage, or other ancillary charges.
- Payment terms: Subject to credit approval.
- The attached Terms and Conditions are applicable.
- Taxes are as indicated above and may be subject to change based upon regulatory certifications or exemptions.
- Offer valid until close of business 05/22/07. To accept this offer please sign, date and fax to my attention.

Thank you for this opportunity to provide our services.

ACCEPTED BY BUYER _____ TITLE _____ DATE _____
 ACCEPTED BY SELLER _____ TITLE _____ DATE _____

Errors in price, extension and addition subject to correction. Terms and Conditions on reverse side are incorporated and made part hereof.

07/07/2008 11:02 FAX

001

(C)



FAX TRANSMITTAL SHEET

ATTN: River Bound Fuel Participants
 COMPANY: Various
 FAX NUMBER: Various
 FROM: Viola Smith
 DATE: 07/07/08

FALL ORDERS DUE: AUGUST 1, 2008

REMINDER: PLATTS and OPIS PRICES CHANGES DAILY Using Thursday's Platts and OPIS pricing, here is a price indicator for both Unleaded Gas and Heating Fuel for "**PLANNING PURPOSES**" only. We will also now be including 4 weeks of fuel price history.

5/9/08 - HF 4.635	UL - 4.015
5/23/08 - HF 4.723	UL - 4.078
5/27/08 - HF 4.892	UL - 4.240
6/02/08 - HF 4.690	UL - 4.377
6/05/08 - HF 4.649	UL - 4.377
6/20/08 - HF 4.664	UL - 4.500

42% increase

Heating Fuel 4.956 per gallon
 Unleaded Gas 4.219 per gallon without taxes
 0.08 State Tax
 0.184 Federal Tax
 Total UL Cost 4.483 per gallon

42%

Please feel free to contact me if you have any questions at 907-644-9204
 Or Cameron at Crowley Office 907-777-5532.

Quyanarpak Caknoq,

Viola S. Smith

Anchorage Office:
 113 West Northern Lights, Suite 204
 Anchorage, AK 99503
 907-222-3220 Fax 907-222-3221

Bethel Office:
 PO Box 689
 Bethel, AK 99559
 907-543-4277 Fax 907-543-4276

SARAH PALIN
GOVERNOR

GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

P.O. BOX 110001
JUNEAU, ALASKA 99811-0001
(907) 465-3500
FAX (907) 465-3532
WWW.GOV.STATE.AK.US

July 30, 2008

VIA HAND DELIVERY

The Honorable Kevin Meyer
Alaska State Representative
Co-Chairman, House Finance Committee
State Capitol, Room 515
Juneau, AK 99801

The Honorable Mike Chenault
Alaska State Representative
Co-Chairman, House Finance Committee
State Capitol, Room 505
Juneau, AK 99801

Re: HB 4004 (Suspending the Motor Fuel Tax)

Dear Co-Chairman Meyer and Co-Chairman Chenault:

Several committee members raised questions at the hearing that required additional research. Here is what I have found to date:

**IMPACT OF RECORD-KEEPING REQUIREMENTS OF
THE BILL ON ALASKA BUSINESSES**

The issue of burdening businesses with additional paperwork was raised. As Ms. Bales from the Department of Revenue testified, roughly 100 motor fuel distributors in Alaska will have to now submit copies of invoices to the Department of Revenue. That impact on distributors should be balanced against the significant decrease in tax refund paperwork that thousands of Alaska businesses will no longer have to file for fuel purchased in bulk from a distributor, but not actually used in a motor vehicle.

The current tax system assumes purchasers of bulk fuel will use all of that fuel for purposes that fall under the motor fuel tax provisions and trigger the liability for paying the tax. These businesses then have to pay the highest rate of tax (8 cents) per gallon on all motor fuel they purchase from a distributor. Because many of these businesses do not actually use every gallon of the bulk fuel purchase as motor fuel, they have to track and identify the exact quantity of the bulk fuel not used as motor fuel and file a refund request to the Department of Revenue. This financial and paperwork burden on thousands of Alaska businesses would be eliminated by passage of the bill.

The Honorable Kevin Meyer
The Honorable Mike Chenault
July 30, 2008
Page 2

IMPACT ON FEDERAL HIGHWAY FUNDING

The issue of a negative impact on federal highway funding on states that suspend their motor fuel tax was also raised. So far, I have found four states that have recently suspended their motor fuel tax: Illinois, Indiana, Florida, and Georgia. All four of these states suspended their state gas taxes for a period before 2005. Every one of these states received increased federal highway funding under SAFETEA-LU just as states that had not suspended their gas tax. SAFETEA-LU provided states with a 30 percent increase in funding (\$286 billion) over the previous highway funding bill, TEA - 21 (\$218 billion). I will continue researching.

AMENDMENT TO INCREASE OR ENSURE RATE OF PASS-THROUGH OF SAVINGS FROM TAX SUSPENSION

Also enclosed is a draft amendment that should help ensure the savings from the tax suspension are passed on to consumers. The amendment requires retailers to submit a statement to the Department of Revenue that 100 percent of the savings from the tax suspension are being passed through to consumers and allows, but does not require, retailers to post signage on its premises that tax savings from the suspension are being passed through to consumers. I am also including copies of news articles from Florida and the finding in that state by the American Automobile Association that gas tax savings were passed onto the consumers. Please enter this letter and these documents into the record of the committee.

Please let me know if you have any additional questions. I am available at your convenience.

Sincerely,



Randy Ruaro
Special Staff Assistant

Enclosures

cc Members, House Finance Committee
Senator Stedman, Senate Finance Co-Chairman
Senator Hoffman, Senate Finance Co-Chairman



UNITED FISHERMEN OF ALASKA

211 Fourth Street, Suite 110
Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2545 Fax
E-Mail: ufa@ufa-fish.org
www.ufa-fish.org

July 28, 2008

Representative Mike Chenault, Co-Chair
Representative Kevin Meyer, Co-Chair
House Finance Committee
Alaska State Legislature
State Capitol, Room 434
Juneau, AK 99801

Dear Representative Chenault, Representative Meyer, and Committee Members,

Last week we delivered to your office, and to the Governor, copies of petitions signed by over 1,800 Alaska commercial fishermen seeking help from fuel prices. We appreciate the initial response from the governor's office with the introduction of HB 4004 calling for a temporary suspension of the state motor fuel tax. Although this measure is considered to help urban fuel users more than it will benefit rural residents, still it is likely to provide at least some benefit to thousands of commercial fishermen statewide.

While it may or may not be possible to create perfectly fair and comprehensive programs that benefit all Alaskans in accordance with their individual situations, we ask that you support HB 4004 as one measure that can be put into place quickly to bring some relief to high motor fuel prices.

United Fishermen of Alaska is the largest statewide commercial fishing trade association, representing 37 commercial fishing organizations participating in fisheries throughout the state and its offshore waters. We appreciate your attention to the difficulties facing Alaska's fishermen and fishing communities.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Vinsel'.

Mark Vinsel
Executive Director

The Energy Relief Savings and Efficiency Plan (ERSEP)
or
A Better Approach to Addressing Alaska's Energy Needs in the
2008 Special Session

by Alaska Conservation Solutions
July 16, 2008

Alaska is at a critical fork in the road. High energy prices are creating both budget surpluses and individual hardships. In response to this situation, we can implement a thoughtful, comprehensive strategy that has both immediate and long term benefits, or we can make the problem worse. If we simply subsidize fossil fuel consumption by all Alaskans, this will increase our dependence on foreign supplies, create inequities, fail to address the root causes of the problem, and establish a massive subsidy that will be virtually impossible to undo in the future. On the other hand, there are numerous strategies that can provide immediate, mid- and long-term relief to high energy prices and simultaneously reduce our demand for fossil fuels. This is the responsible path to the future.

I. Addressing Utility Costs

As Alaskans face rising utility costs, residents are looking for relief. The state can provide a path to reduced monthly bills and long-term energy security. To provide relief without leadership on energy conservation and energy efficiency would be short-sighted, as energy cost relief would only treat the symptom and not the underlying challenge.

Alaskans can significantly lower their energy bills by implementing immediate state-assisted energy conservation measures. The public's response in Juneau to their energy crisis demonstrates this clearly. Virtually overnight individuals and businesses in Juneau adopted multiple conservation measures, and energy consumption dropped by approximately one-third. For example, on Tuesday April 15, prior to the avalanche, Juneau consumed 1,006 MWh, while on Tuesday May 6, after the avalanche, Juneau consumed 660MWh.

There is a need for more public education on energy conservation measures, and, in some cases, implementation assistance. Some energy conservation measures are not universally understood, such as the energy savings achieved from unplugging appliances not in use. A 2000 study by the University of California and Lawrence Berkeley National Laboratory indicates that eliminating this "standby electricity" could save households between 6 and 26 percent on their average electricity bill. It is estimated that "phantom" appliances use about 450 kWh per household annually. Other energy conservation strategies may require additional education, such as how and why to reduce the thermostat setting on a water heater. Notably, each 10°F reduction in water temperature results in 3%-5% savings in energy costs.

Alaska Conservation Solutions proposes at least seven areas in which appropriations represent wise investments that will help Alaskans immediately lower their utility bills:

1) Effective Public Education Program

Immediately establish an Alaska Energy Conservation Education Coordinator position and program within Alaska Energy Authority. This position would work with utilities, the media, key organizations and others to educate the public on ways in which consumers can reduce their energy use quickly and efficiently. Among other immediate projects, this program could modify and expand a state-wide, web-based Alaska Energy Reducer, which would provide quick, practical ways to reduce consumption. It could also work with the media to produce statewide Public Service Announcements on energy reducing strategies; and with key housing and other organizations like RuralCAP, as well as local governments. Printed materials, including posters, would also be utilized.

(Appropriation: \$800,000.)

1a) Alternative: An alternative strategy would be to provide an \$800,000 grant to an existing entity outside of state government, to provide the services described above.

2) Metering and Utility Education Program

Provide money to utilities to educate their consumers and distribute home metering devices. Studies show that when consumers can see how much energy they are using and from what sources, they are better able to reduce their energy consumption. Providing utilities with metering devices, and having utilities distribute them along with energy conservation recommendations, would produce significant results. For example, after meters were installed in the City of Saint George, demand was reduced and the utility realized a 15% savings on fuel (AHFC 6/19/07).

(Appropriation: \$500,000 to the highest cost areas, utility educational efforts, and other outreach.)

3) Juneau Study and Lessons Learned

Fund a study to examine quickly how Juneau reduced its energy consumption by approximately one-third. This study would document the strategies and lessons learned. The results of this study would be promptly disseminated.

(Appropriation: \$100,000.)

4) Distributing Energy Efficiency Products

Have Alaska Energy Authority (AEA) provide consumers immediate access to free or low-cost energy conservation products. This could be done either for low-income consumers or for all consumers. Such products could include: compact fluorescent bulbs (CFL bulbs use about 75% less energy than standard incandescent bulbs),

programmable room thermostats (average savings about 10%, according to AEA), low-flow showerheads (the US Department of Energy reports that quality low-flow fixtures cost around \$10-20 a piece and achieve water savings of 25-60%), plug-in power strips (facilitating the quick and easy turn-off of power to appliances not being used), and lighting occupancy sensors (artificial lighting consumes almost 15% of a household's electricity use, according to the DOE.)

There is an excellent model for doing this: The Oregon Energy Trust. This "public-purpose organization" was established by the Oregon Legislature as a one-stop shop for state energy assistance (see <http://www.energytrust.org/>.) An Alaska Energy Trust could be similarly established and housed under AEA or The Regulatory Commission of Alaska (RCA). The Alaska Energy Trust could offer conservation programs that have a proven record of reducing energy demand, such as:

- free residential and small business energy audits
- rebates (\$50-100 range) for purchasing ENERGY STAR appliances such as refrigerators, clothes washers and dryers
- rebates (\$100-200 range) for upgrades to high efficiency gas, oil and electric furnaces and hot water heaters
- free compact fluorescent light bulbs
- free energy reviews for commercial buildings, using certified energy contractors
- free programmable thermostats
- other (this is not a comprehensive list)

(Appropriation: Depends on extent of program, but could range from \$1 million to \$50 million.)

5) Assist Local Governments

There are several actions that can relatively quickly assist local governments, including schools, in saving energy. Examples include energy audits, installing more energy efficient street lighting, upgrading refrigeration units, water conservation, and upgrading and making indoor lighting more efficient.

(Appropriation: Depends on extent of program, but could range from \$2 million to \$100 million.)

6) More Efficient Diesel Generation

There are substantial energy savings to be achieved from more efficient diesel generation. The state could provide grants or no-interest loans to continue and accelerate existing efforts to retrofit inefficient rural diesel generators with the best available current technology.

(Appropriation: Depends on extent of program, but could range from \$5 million to \$300 million.)

7) Additional Measures

In addition to the above, we recommend the following short- to mid-term energy efficiency measures:

- **Training and Certification**
Provide expanded and accelerated training and certification programs necessary to implement Alaska's new weatherization, renewable energy, and energy conservation programs.
- **Revising Building Codes**

The state should fully adopt and implement Building Energy Efficiency Standard (BEES - introduced in 1985 and adopted in 1992 but not implemented) as the new state residential energy efficiency building code. BEES should be viewed as the minimal energy efficiency code, and research should be quickly conducted to see how best to build upon BEES in light of current prices, new international standards and technologies.
- **Net Metering**

Pass legislation creating a net metering system based on actual avoided costs in Alaska.

II. Addressing Transportation Costs

As gasoline and diesel prices increase, Alaskans are facing increased transportation costs. Here are four possible funding strategies that would provide Alaskans less costly alternatives as well as long-term solutions:

1) Expand Mass Transit

Bus systems in Alaska are underfunded, and provide minimal service. Providing state funding to increase bus service in larger communities, and to begin bus service in smaller ones, is a very desirable option. In the short term, the state could provide money to reduce or even eliminate fares. This strategy also creates jobs and is especially beneficial to low-income employees. Depending on the scope of program, costs could range from \$10 million to \$100 million.

2) Expand Van Pooling and Car Pooling

Van pooling systems in Alaska are underfunded. Providing state funding to acquire vans for shared rides, and/or paying for gas for van pools and car pools would promote these services. Additional staff would be needed to advertise and coordinate

van and car pools. Depending on the scope of the program, costs could range from \$5 million to \$25 million.

3) Implement Bicycle Programs

Currently some people who would like to have a bicycle for alternative transportation cannot afford one. This program would make bicycles available either for purchase or rent on needs-based criteria. Bike paths and bike routes would also be improved. Depending on the scope of the program, costs could range from \$500,000 to \$2 million.

4) Provide Efficiency Rebates

Many people want to buy new, more efficient vehicles, outboard motors, snowmobiles, and so forth. This program would provide money for such purchases. The amount of the rebate could be income-based. This program could also be available to municipalities to upgrade their fleets. Depending on the scope of the program, costs could range from \$5 million to \$50 million.

III. Power Cost Equalization Component of the Conservation Community Alternative

The legislature should fully fund and expand the Power Cost Equalization Program, as part of its approach to addressing the increased price for electricity in heavily affected communities.

First, the PCE needs to be fully funded for this upcoming year to insure that the first 500 kWhs consumed by residential customers are affordable. (In the last six months of 2007, only 89% of the program was covered.) It appears as if the program is currently underfunded by approximately 10 to 15%, a shortfall of approximately \$3 million.

Second, the PCE could be expanded to include schools and other key buildings and institutions not currently covered. The cost of this depends on the magnitude of the expansion, but could be in the range of \$1 to \$10 million.

IV. Legislative Hearings

It is appropriate for the Legislature to hold a series of hearings exploring how we can lower the burden of high energy costs on those most in need, including institutions such as schools and municipalities. The goal would be to find short-term relief that:

- does not aggravate the underlying problems (such as increasing the consumption of energy);

- is targeted to those most at need (do people making \$250,000/year really need \$100/person/month for their family?); and
- provides maximum mid- and long-term benefits.

V. Conclusion

The Governor's proposal needs careful scrutiny. What are the consequences? How much will it increase energy use? Is it equitable? Is it needed for people with high incomes? What are the political consequences of this proposal in Washington DC and other places? How would it ever be discontinued?

If the state is prepared to spend over \$800 million, we can make smart, equitable, long-lasting investments that will benefit the state for years to come, lower our carbon footprint, make us a model for others, and provide critical relief to people throughout the state, especially those most in need. We do not want to make an enormous investment in the wrong direction.

Six Reasons Not to Suspend the Motor Fuel Tax

by Alaska Conservation Solutions
July 16, 2008

1) The fuel tax suspension may not, and according to economic theory will not, actually result in lowering the price of motor fuel to the full extent of the suspension.

If the State eliminates fuel taxes, will our residents benefit from the entire amount of that tax elimination? In other words, will gasoline prices, for example, decrease by the entire 8 cents of the tax elimination for the duration of the suspension? This is highly unlikely.

Alaska collects motor fuel taxes primarily from wholesalers and distributors that hold "qualified dealer" licenses issued by the Tax Division. What will prevent gasoline and other fuel vendors from increasing the cost of fuel as a result of this program? Our economy is driven by supply, demand, and the ability to pay. If the demand is higher and the ability to pay greater, economic theory and experience demonstrate that prices will increase. How much of the tax suspension will be "consumed" by higher fuel prices? This is a troubling and significant unknown.

This issue was highlighted in numerous analyses concerning the recently-tabled summertime federal gas-tax holiday proposal. The move to suspend federal gas taxes "*had no support in the White House, and virtually none in the Democratic Congress. A hundred economists, including... James Galbraith, Alice Rivlin, and the Nobelist Joseph Stiglitz, denounced it...according to the economists, it would probably do nothing more than just transfer revenue from the government to the oil companies.*" (Hendrik Hertzberg, The New Yorker, May 19, 2008)

Professor Michael Dorf of Columbia University likewise noted that "*the gas tax holiday will not even lower prices at the pump by very much: the greater demand stimulated ... because of the temporary elimination of the tax will in turn tighten supplies, leading suppliers to raise prices.*" (FindLaw, May 9, 2008)

It does not make sense to suspend fuel taxes in Alaska unless consumers benefit from all or at least most of the suspension - and there is no evidence that they will.

2) Alaska has the lowest motor fuel gasoline tax in the United States, according to The Tax Foundation, but it also suffers from the highest gasoline prices.

On July 15, 2008, the American Automobile Association announced that the average price of regular gas in Alaska is the highest in the nation, topping this month's list at \$4.64 a gallon. Of that, only 8 cents a gallon (a rate that has not changed since 1970) is potentially attributable to the state highway motor fuel tax.

Nationwide, there is no direct, causal relationship between fuel taxes and prices. Consider the following city comparisons, provided by the Department of Energy's Energy Information Administration:

City	State tax/gallon	Average Fuel Price (7/14/08)
Anchorage	8 cents	\$4.39
Seattle	37.5 cents	\$4.33
Miami	33.2 cents	\$4.18
Denver	22 cents	\$4.01
Houston	20.0 cents	\$3.91

In other words, fuel taxes do not "drive" prices.

A better use for some or all of the revenues from Alaskan fuel taxes would be to identify and combat the market factors that, unlike state taxation, are the true causes of soaring fuel costs in this state.

3) Just as is the case with the proposed \$1200 rebate, a fuel tax suspension will be politically difficult, if not impossible, to end so long as energy prices remain high.

We need only look at the Alaska Permanent Fund dividend program and entitlement programs to recognize how difficult it is to discontinue or reduce them. With fossil fuel prices projected to continue to increase to \$150 to \$200 per barrel, and with conservation and energy efficiency measures made to seem less urgent due to the proposed ARRP program and fuel tax suspension, our state will be in a worse position a year from now if we adopt this approach. It is very unlikely that the legislature would be able to discontinue or significantly reduce either the fuel tax suspension or the rebate program twelve months from now.

4) All vehicles impose wear and tear on Alaska's infrastructure. In keeping with cost-causer/cost-payer principles, consumers of motor fuels ought to contribute to the maintenance costs of the highways and other forms of infrastructure their vehicles use.

Maintenance costs for state-operated roads and airports are funded through the Department of Transportation. A ballpark figure for the DOT statewide road maintenance budget for FY09 is \$77 million, and for aviation maintenance another \$26 million. It only makes sense for the users of Alaska's resources, especially those who are not state residents, to contribute to the upkeep of our roads, bridges and airports.

Even though suspending the gasoline tax would have a nearly insignificant impact on the average Alaskan's household budget, it would result in a significant loss of state revenue: nearly \$30 million from highway gasoline taxes, according to The Tax Foundation and prior Alaska Tax Division Annual Reports. Moreover, Alaskans already rank 48th in the nation in terms of the amount of motor fuel taxes they pay per capita: just \$62.81 annually in FY 2006, according to The Tax Foundation. This is a negligible amount for Alaskans to be asked to contribute towards vital infrastructure upkeep.

5) Motor Fuel taxes are collected, in part, from visitors to the state. If we suspend these taxes, we lose this non-resident revenue.

Visitors to Alaska, either driving here from other states or renting cars, pay motor fuel taxes. If we eliminate this tax, we will be losing revenue from non-residents who use our roads and other infrastructure.

6) The approximately \$40 million that Alaska would forfeit by suspending all forms of motor fuel tax could be invested in public transit or other programs that would proactively reduce energy costs and greenhouse gas emissions.

Instead of suspending motor fuel taxes, the approximately \$40 million at stake could be invested in strategies that will reduce transportation costs to Alaskans in the short-, mid-, and long-term. For example, this money could be invested in expanding public transit, car pooling, and van pooling; providing loans for marine engine efficiency conversion; and expanding the use of biofuels, especially from fish waste. All of these efforts would have both immediate and far-reaching benefits, unlike the tax suspension.

BACKGROUND:

Alaska Tax Division 2007 Annual Report
State taxes on motor fuels: Total was approx. \$40m in FY2007

Highway	8 cents a gallon	\$29.4m
Marine fuel	5 cents a gallon	5.6m
Jet fuel	3.2 cents a gallon	4.1m
Aviation gasoline	4.7 cents a gallon	0.7m

Ten Reasons Why the \$800 Million Alaska Resource Rebate Payment (ARRP) is Not in Alaska's Best Interest

by Alaska Conservation Solutions
July 16, 2008

1) The ARRP is very expensive, and not based on a careful analysis of needs, consequences, or alternatives.

Unquestionably, \$800 million is a lot of money. Prior to appropriation, a proposed expenditure of this size demands a very thoughtful examination, including a thorough and careful analysis of needs, consequences, and alternatives. That analysis has simply not been done in the case of the ARRP.

As noted by the Fairbanks Daily News Miner, *"they (the Legislature) need to intervene cautiously by exploring all the ramifications and avoid the temptation to shovel cash willy-nilly to a public increasingly asking for help."* (Fairbanks News Miner, July 9, 2008)

2) The ARRP will be politically difficult, if not impossible, to end so long as energy prices remain high.

We need only look at the Alaska Permanent Fund dividend program and specific entitlement programs to recognize how difficult it is to discontinue or reduce them. With fossil fuel prices projected to continue to increase, and with conservation and energy efficiency measures made to seem less urgent due to the ARRP program, our state will be in a worse position a year from now if we adopt the resource rebate approach. As our dependence on fossil fuels continues to grow, so will our economic hardships. Twelve months from now, it is very unlikely that the legislature would be able to discontinue or significantly reduce the rebate program.

As an editorial in the Fairbanks Daily News Miner further observes, *"the governor's proposal is for one year only. But what about next year and the year after that? Alaskans could come to expect the state will ride to their rescue each year. A sense of entitlement, one arising out of a principle that the state's profits from oil revenue should be shared directly with the masses, could manifest itself. An entitlement program could soon be born."* (Fairbanks Daily News Miner, July 9, 2008)

3) The resource rebate would be subject to federal taxation, so a meaningful proportion of the state's revenues (10% to 35%) will go to the federal government.

The Governor's stated intent is to benefit Alaskans, as the owners of the state's resources. However, because the ARRP would be subject to federal taxation, a significant amount of the payout would in fact be extracted from the state. The federal tax rate is from 10% to 35%, with a large percentage of Alaskans paying

25% (Alaska's per capita income is about \$41,000, which is in the 25% bracket). Does it make sense for up to \$200 million of the state's revenues to go to the federal government in taxes? No.

4) The ARRP disrupts energy-saving responses to price signals and does not promote any positive mid- or long-term energy reduction benefits.

Price signals are crucial. As newspaper and other reports demonstrate, people throughout Alaska are taking actions now to reduce their consumption of energy in response to real-world increased fossil fuel prices. According to Goldman Sachs and others, oil could reach \$150 to \$200 per barrel by the end of the year. This is reality, and we need to adjust to this reality as soon as possible by implementing energy conservation, energy efficiency, and renewable energy options.

If invested towards these shared goals, \$800 million could represent a huge step towards a clean, sustainable and prosperous energy future for Alaskans. Dispersed to individuals, however, \$800 million will mute price signals and energy-saving responses, and potentially increase energy consumption. As State House Finance Committee Co-Chairman Kevin Meyer has noted, people can use their \$1200 to buy whatever they want, including a big screen television. *They might have been holding off on such purchases because of high energy bills, he said. "Now they can buy that TV too."* (Anchorage Daily News, June 21, 2008)

The ARRP contravenes the Governor's 2008 mission to produce "a statewide plan to reduce energy costs, promote energy conservation, and secure long term energy supply solutions for each region of the state."

Again, as the News Miner editorial observes: *"handing out money hardly encourages people to conserve energy. And energy conservation needs to be a practice instilled throughout homes and businesses in Alaska. And there's no guarantee at all that people will spend the \$1,200 payment on energy bills. The state could be giving money away only to still find people in need this winter."* (Fairbanks Daily News Miner, July 9, 2008)

5) The ARRP is not targeted.

The ARRP does not target those most in need. Alaskans are not being affected equally by high fuel prices. To cite just a few examples:

- According to UAA's Institute of Social and Economic Research (ISER), low-income families in Alaska's most remote towns and villages are expected to spend 41 cents out of every dollar they make on power and heat in 2008. In comparison, Anchorage's lowest-income households will spend about 4 cents per earned dollar on energy bills; and well-off Anchorage residents will pay just 2% of their income for home energy use.
- ISER estimates that the median annual power and heating costs for an Anchorage family is about \$2,700, compared to about \$4,900 for midsize towns and cities and \$7,600 for remote rural villages.

- If a family of four is making \$150,000 per year, and if that family's total energy costs have increased by a total of \$750 per year, should the government be providing that family an additional \$4,800 per year? As a recent news report notes, *"Some legislators, including Anchorage Democratic Rep. Mike Doogan, oppose sending everyone a check regardless if they need it. They've said it should be based on how much money a person makes and where they live."* Doogan is quoted as saying, *"Frankly, I'm not convinced everybody in Alaska needs help with their energy costs."* (Anchorage Daily News, June 21, 2008)
- The proposed \$1200 payout would be given to everyone, regardless of whether their electricity is generated by fossil fuels that have increased in price, or if their electricity is generated by low-cost hydroelectric power. It would be given to everyone, regardless of whether or not they drive any sort of vehicle. It would be given to people of all ages, from infants to the elderly, with no consideration given to an individual's actual need for such assistance.
- A family of four, no matter what its income level, does not have four times the energy costs of a single person. To give each person in the state a flat \$1200 amounts to a much greater windfall for those whose energy expenses are already lower because they are shared with other household members.

6) Alaskans will be receiving their Permanent Fund Dividend checks in the fall, and can apply some of this income to their energy expenditures, especially since the amount of the dividend is anticipated to increase and the check arrives before winter. Moreover, the distribution of two state checks (the PFD and the ARRP) within a short period of time could have undesirable social consequences.

The 2007 PFD payout was \$1,654, and the 2008 distribution is expected to be higher. For a family of five, the PFD payout in 2007 was \$8,270. It will be closer to \$10,000 this year. Some of these revenues can be used for energy cost relief for this fall and winter. If passed, the ARRP would be arriving at approximately the same time when individuals and families are already receiving PFD checks from the state.

The Voice of the Times observes, *"we object in principle to another free-money program...the state's dollar giveaways also tend to bring new people to the state, people whose primary motivation is not to become Alaskans but to get the free checks."* The VOT also notes, *"we will be surprised if many legislators have the courage to vote against it."* (Voice of the Times, June 20, 2008)

7) The ARRP will be negatively perceived in Washington, DC, with potentially adverse and costly consequences.

All states are suffering from higher fuel and other costs; Alaska is not unique. There are many issues before Congress that can either benefit Alaska or not, including sharing of off-shore oil revenues, appropriations, and allocations under a Lieberman-Warner or similar bill. If Alaska is perceived as "awash in money" and "just giving it away" this could have serious, expensive consequences to individuals and the state as a whole.

"It could be harder for Alaska to get federal assistance for projects and programs if people in the Lower 48 think the state is the spoiled rich kid on the block, legislators said." (Anchorage Daily News, June 21, 2008)

8) Common resources should be invested for the common good.

The source of the funding for the ARRP payments is the surplus the state is receiving because of high oil prices and last year's oil tax increases. As such, this surplus is community property, and for logical, civic, and moral reasons it should be invested in community projects, rather than as a windfall bonus to individuals. The state has many serious needs that the surplus could effectively address.

Referring to the proposed special dividend, Rep. Mike Doogan notes, "The resources are owned in common, not individually, and the revenue is to be used to pay for government goods and services." (Anchorage Daily News, July 13, 2008)

9) The ARRP communicates, by example, a series of bad messages to other states and nations, as well as to future generations; it is short-term, expensive, entitlement-inducing, non-targeted, and unfair.

How we address the current situation is a teachable moment for our children. Will we adopt a short-term, expensive, entitlement-inducing, politically-opportunistic, non-targeted, and unfair approach? Or will we provide focused assistance that accomplishes numerous short-, mid- and long-term goals? We have an option and an opportunity, either to benefit our children's future or not. Which will it be?

10) There are many better ways to provide short-, mid- and long-term energy cost relief to Alaskans.

It is important to note that Governor Palin herself is relying on others to refine and improve her energy cost relief proposal: *"Lawmakers will be expected to provide better remedies, better solutions." (Juneau Empire, June 22, 2008)*

The attached Energy Relief Savings and Efficiency Plan (ERSEP) would help Alaskans transition promptly and cost-effectively to the realities of substantially increased fossil fuel prices. The ERSEP provides numerous suggestions for win-win solutions that will quickly save Alaskans money through energy conservation and energy efficiency. All of these strategies will result in lower energy use not only in the short-term, but also in the mid- and long-term, thus saving Alaskans money for years to come. In addition to the monetary benefits from reducing our fossil fuel energy use, there are many other advantages, including energy security and independence, decreasing our carbon footprint, reducing emissions of other pollutants, and improving our health.

As Rep. Harry Crawford has said, Palin's new plan... lacks enough emphasis on providing long-term, affordable, renewable energy for Alaskans such as hydroelectric, geothermal and wind power. "This \$1,200 is not going to make a long-term difference in their lives." (Anchorage Daily News, June 21, 2008)

But the prudent investment of this \$800 million could.

7/28/08

State of Alaska
Commercial Fisheries Entry Commission

July 14, 2008

Number of 2007 Year-End Permits by Alaskan Community
(Ranked by Limited Entry Permits)

CITY	STATE	Resident			Nonresident			Overall		
		Limited Entry	Open Access	Total	Limited Entry	Open Access	Total	Limited Entry	Open Access	Total
PETERSBURG	AK	760	374	1,134	12	7	19	772	381	1,153
ANCHORAGE	AK	696	127	823	7	4	11	703	131	834
SITKA	AK	590	464	1,054	9	6	15	599	470	1,069
KODIAK	AK	578	674	1,252	10	15	25	588	689	1,277
HOMER	AK	563	383	946	4	9	13	567	392	959
CORDOVA	AK	464	98	562	25	2	27	489	100	589
KETCHIKAN	AK	459	114	573	3	1	4	462	115	577
JUNEAU	AK	375	187	562	2	0	2	377	187	564
WRANGELL	AK	315	111	426	2	0	2	317	111	428
TOGIAK	AK	292	26	318	0	0	0	292	26	318
DILLINGHAM	AK	241	54	295	7	0	7	248	54	302
CRAIG	AK	231	72	303	13	0	13	244	72	316
KENAI	AK	223	49	272	9	1	10	232	50	282
BETHEL	AK	204	5	209	0	0	0	204	5	209
YAKUTAT	AK	152	71	261	5	1	6	195	72	267
WASILLA	AK	157	41	198	0	1	1	157	42	199
KASILOF	AK	140	35	175	2	0	2	142	35	177
SOLDOTNA	AK	133	41	174	5	2	7	138	43	181
HAINES	AK	126	60	186	1	0	1	127	60	187
FAIRBANKS	AK	123	11	134	0	0	0	123	11	134
KOTZEBUE	AK	116	6	122	0	0	0	116	6	122
NAKNEK	AK	113	13	126	1	0	1	114	13	127
UNALAKLEET	AK	114	8	122	0	0	0	114	8	122
MANOKOTAK	AK	113	3	116	0	0	0	113	3	116
HOONAH	AK	110	41	151	1	0	1	111	41	152
EMMONAK	AK	98	19	117	0	0	0	98	19	117
SAND POINT	AK	94	130	224	1	0	1	95	130	225
QUINHAGAK	AK	89	12	101	0	0	0	89	12	101
ALAKANUK	AK	85	7	92	0	0	0	85	7	92
KOTLIK	AK	81	8	89	0	0	0	81	8	89
AKIACHAK	AK	81	1	82	0	0	0	81	1	82
MOUNTAIN VILLAGE	AK	79	3	82	0	0	0	79	3	82
SAINT MARYS	AK	75	7	82	0	0	0	75	7	82
SEWARD	AK	65	60	125	0	2	2	65	62	127
DOUGLAS	AK	63	36	99	0	0	0	63	36	99
PALMER	AK	63	22	85	0	0	0	63	22	85
WARD COVE	AK	63	18	81	0	0	0	63	18	81
TOKSOOK BAY	AK	57	61	118	0	0	0	57	61	118

**Number of 2007 Year-End Permits by Alaskan Community
(Ranked by Limited Entry Permits)**

CITY	STATE	Resident			Nonresident			Overall		
		Limited Entry	Open Access	Total	Limited Entry	Open Access	Total	Limited Entry	Open Access	Total
METLAKATLA	AK	56	14	70	0	0	0	56	14	70
PILOT STATION	AK	56	1	57	0	0	0	56	1	57
EAGLE RIVER	AK	55	14	69	0	0	0	55	14	69
KLAWOCK	AK	55	4	59	0	0	0	55	4	59
TUNTUTULIAK	AK	55	4	59	0	0	0	55	4	59
KWETHLUK	AK	55	0	55	0	0	0	55	0	55
KING COVE	AK	52	47	99	1	1	2	53	48	101
ANCHOR POINT	AK	50	33	83	2	0	2	52	33	85
NIKISKI	AK	50	7	57	2	0	2	52	7	59
KAKE	AK	51	17	68	0	0	0	51	17	68
HYDABURG	AK	51	6	57	0	0	0	51	6	57
SCAMMON BAY	AK	51	3	54	0	0	0	51	3	54
NUNAPITCHUK	AK	50	0	50	0	0	0	50	0	50
NINILCHIK	AK	49	6	55	0	0	0	49	6	55
PELICAN	AK	45	33	78	2	0	2	47	33	80
EEK	AK	46	2	48	0	0	0	46	2	48
GOODNEWS BAY	AK	46	0	46	0	0	0	46	0	46
KING SALMON	AK	39	3	42	3	0	3	42	3	45
NAPAKIAK	AK	42	0	42	0	0	0	42	0	42
GIRDWOOD	AK	41	13	54	0	0	0	41	13	54
KASIGLUK	AK	41	0	41	0	0	0	41	0	41
SELDOVIA	AK	39	23	62	0	0	0	39	23	62
AUKE BAY	AK	38	17	55	1	1	2	39	18	57
CHUGIAK	AK	37	5	42	1	0	1	38	5	43
MARSHALL	AK	38	0	38	0	0	0	38	0	38
MEKORYUK	AK	37	45	82	0	0	0	37	45	82
OLD HARBOR	AK	37	20	57	0	0	0	37	20	57
SHAKTOOLIK	AK	37	5	42	0	0	0	37	5	42
ELIM	AK	37	2	39	0	0	0	37	2	39
VALDEZ	AK	35	17	52	1	0	1	36	17	53
SOUTH NAKNEK	AK	32	0	32	4	0	4	36	0	36
THORNE BAY	AK	35	9	44	0	0	0	35	9	44
GUSTAVUS	AK	34	23	57	0	0	0	34	23	57
CLAM GULCH	AK	31	13	44	3	0	3	34	13	47
HOOPER BAY	AK	34	8	42	0	0	0	34	8	42
NAPASKIAK	AK	31	1	32	0	0	0	31	1	32
NOME	AK	28	45	73	0	0	0	28	45	73
CHIGNIK LAGOON	AK	28	26	52	2	2	4	28	28	56
ALEKNAGIK	AK	28	1	29	0	0	0	28	1	29
NELSON LAGOON	AK	27	2	29	0	0	0	27	2	29
TULUKSAK	AK	26	1	27	0	0	0	26	1	27
ATMAUTLUAK	AK	26	0	26	0	0	0	26	0	26

**Number of 2007 Year-End Permits by Alaskan Community
(Ranked by Limited Entry Permits)**

CITY	STATE	Resident			Nonresident			Overall		
		Limited Entry	Open Access	Total	Limited Entry	Open Access	Total	Limited Entry	Open Access	Total
POINT BAKER	AK	25	6	31	0	0	0	25	6	31
NEW STUYAHOK	AK	25	3	28	0	0	0	25	3	28
NENANA	AK	25	0	25	0	0	0	25	0	25
ANGOON	AK	24	15	39	0	0	0	24	15	39
TUNUNA	AK	23	37	60	0	0	0	23	37	60
ELFIN COVE	AK	23	17	40	0	0	0	23	17	40
AKIAK	AK	23	0	23	0	0	0	23	0	23
PORT LIONS	AK	22	16	38	0	0	0	22	16	38
NORTH POLE	AK	21	3	24	1	0	1	22	3	25
KIPNUK	AK	21	28	49	0	0	0	21	28	49
PORT ALEXANDER	AK	21	27	48	0	0	0	21	27	48
EGEGIK	AK	19	4	23	2	0	2	21	4	25
STEBBINS	AK	18	0	18	0	0	0	18	0	18
KWIGILLINGOK	AK	17	5	22	0	0	0	17	5	22
KOLIGANEK	AK	17	0	17	0	0	0	17	0	17
NIGHTMUTE	AK	16	17	33	0	0	0	16	17	33
STERLING	AK	16	15	31	0	0	0	16	15	31
ILIAMNA	AK	16	1	17	0	0	0	16	1	17
TYONEK	AK	16	0	16	0	0	0	16	0	16
DELTA JUNCTION	AK	15	27	42	0	0	0	15	27	42
JUZINKIE	AK	15	20	35	0	0	0	15	20	35
WILLOW	AK	14	17	31	1	0	1	15	17	32
KONGIGANAK	AK	15	7	22	0	0	0	15	7	22
TENAKEE	AK	15	4	19	0	0	0	15	4	19
RUSSIAN MISSION	AK	15	0	15	0	0	0	15	0	15
CHEVAK	AK	14	6	20	0	0	0	14	6	20
MEYERS CHUCK	AK	14	4	18	0	0	0	14	4	18
TANANA	AK	14	0	14	0	0	0	14	0	14
CHEFORNAK	AK	13	37	50	0	0	0	13	37	50
NIKOLAEVSK	AK	13	20	33	0	1	1	13	21	34
NEWTOK	AK	13	20	33	0	0	0	13	20	33
EDNA BAY	AK	13	7	20	0	0	0	13	7	20
FRITZ CREEK	AK	13	6	19	0	0	0	13	6	19
PORT HEIDEN	AK	13	2	15	0	0	0	13	2	15
GALENA	AK	13	0	13	0	0	0	13	0	13
NUNAM IQUA	AK	12	8	20	0	0	0	12	8	20
PILOT POINT	AK	12	2	14	0	0	0	12	2	14
GOLOVIN	AK	12	1	13	0	0	0	12	1	13
LARSEN BAY	AK	10	1	11	2	0	2	12	1	13
ANIAK	AK	11	1	12	0	0	0	11	1	12
ARIVIK	AK	11	1	12	0	0	0	11	1	12
CLARKS POINT	AK	11	0	11	0	0	0	11	0	11

**Number of 2007 Year-End Permits by Alaskan Community
(Ranked by Limited Entry Permits)**

CITY	STATE	Resident			Nonresident			Overall		
		Limited Entry	Open Access	Total	Limited Entry	Open Access	Total	Limited Entry	Open Access	Total
KOYUK	AK	11	0	11	0	0	0	11	0	11
NEWHALEN	AK	11	0	11	0	0	0	11	0	11
TWIN HILLS	AK	10	2	12	0	0	0	10	2	12
COPPER CENTER	AK	10	1	11	0	0	0	10	1	11
KALTAG	AK	10	0	10	0	0	0	10	0	10
MANLEY HOT SPRINGS	AK	10	0	10	0	0	0	10	0	10
UNALASKA	AK	9	47	56	0	4	4	9	51	60
GRAYLING	AK	9	13	22	0	0	0	9	13	22
BIG LAKE	AK	9	0	9	0	0	0	9	0	9
HOLY CROSS	AK	9	0	9	0	0	0	9	0	9
KOKHANOK	AK	9	0	9	0	0	0	9	0	9
NULATO	AK	9	0	9	0	0	0	9	0	9
PLATINUM	AK	9	0	9	0	0	0	9	0	9
DUTCH HARBOR	AK	8	41	49	0	7	7	8	48	56
RUBY	AK	8	0	8	0	0	0	8	0	8
SAINT MICHAEL	AK	8	0	8	0	0	0	8	0	8
TALKEETNA	AK	8	0	8	0	0	0	8	0	8
CHIGNIK	AK	7	12	19	0	1	1	7	13	20
PERRYVILLE	AK	7	2	9	0	0	0	7	2	9
PORT GRAHAM	AK	7	1	8	0	0	0	7	1	8
COFFMAN COVE	AK	7	0	7	0	0	0	7	0	7
LEVELOCK	AK	7	0	7	0	0	0	7	0	7
FALSE PASS	AK	6	7	13	0	0	0	6	7	13
SUTTON	AK	6	2	8	0	0	0	6	2	8
SKAGWAY	AK	6	1	7	0	0	0	6	1	7
AKHIOK	AK	6	0	6	0	0	0	6	0	6
GLENNALLEN	AK	6	0	6	0	0	0	6	0	6
NANWALEK	AK	6	0	6	0	0	0	6	0	6
NOATAK	AK	6	0	6	0	0	0	6	0	6
NONDALTON	AK	6	0	6	0	0	0	6	0	6
HYDER	AK	5	2	7	0	0	0	5	2	7
BARROW	AK	5	0	5	0	0	0	5	0	5
CHIGNIK LAKE	AK	5	0	5	0	0	0	5	0	5
TELLER	AK	5	0	5	0	0	0	5	0	5
TRAPPER CREEK	AK	5	0	5	0	0	0	5	0	5
UGASHIK	AK	5	0	5	0	0	0	5	0	5
HALIBUT COVE	AK	4	5	9	0	0	0	4	5	9
GAKONA	AK	4	1	5	0	0	0	4	1	5
TATITLEK	AK	4	1	5	0	0	0	4	1	5
COOPER LANDING	AK	4	0	4	0	0	0	4	0	4
SELAWIK	AK	4	0	4	0	0	0	4	0	4
COLD BAY	AK	3	2	5	0	0	0	3	2	5

**Number of 2007 Year-End Permits by Alaskan Community
(Ranked by Limited Entry Permits)**

CITY	STATE	Resident			Nonresident			Overall		
		Limited Entry	Open Access	Total	Limited Entry	Open Access	Total	Limited Entry	Open Access	Total
CHIGNIK BAY	AK	3	0	3	0	0	0	3	0	3
CIRCLE CITY	AK	3	0	3	0	0	0	3	0	3
DEERING	AK	3	0	3	0	0	0	3	0	3
EKWOK	AK	3	0	3	0	0	0	3	0	3
FORTUNA LEDGE	AK	3	0	3	0	0	0	3	0	3
IGIUGIG	AK	3	0	3	0	0	0	3	0	3
KALSKAG	AK	3	0	3	0	0	0	3	0	3
KIANA	AK	3	0	3	0	0	0	3	0	3
PEDRO BAY	AK	3	0	3	0	0	0	3	0	3
STEVENS VILLAGE	AK	3	0	3	0	0	0	3	0	3
WHITTIER	AK	2	5	7	0	0	0	2	5	7
AMBLER	AK	2	1	3	0	0	0	2	1	3
ALEXANDER CREEK	AK	2	0	2	0	0	0	2	0	2
FORT RICHARDSON	AK	2	0	2	0	0	0	2	0	2
FORT WAINWRIGHT	AK	2	0	2	0	0	0	2	0	2
HEALY	AK	2	0	2	0	0	0	2	0	2
INDIAN	AK	2	0	2	0	0	0	2	0	2
KASAAN	AK	2	0	2	0	0	0	2	0	2
KIVALINA	AK	2	0	2	0	0	0	2	0	2
PORT ALSWORTH	AK	2	0	2	0	0	0	2	0	2
RAMPART	AK	2	0	2	0	0	0	2	0	2
SHISHMAREF	AK	2	0	2	0	0	0	2	0	2
TOK	AK	2	0	2	0	0	0	2	0	2
TWO RIVERS	AK	2	0	2	0	0	0	2	0	2
ADAK	AK	1	7	8	0	0	0	1	7	8
SHELDON POINT	AK	1	2	3	0	0	0	1	2	3
CENTRAL	AK	1	1	2	0	0	0	1	1	2
CHITINA	AK	1	1	2	0	0	0	1	1	2
SHAGELUK	AK	1	1	2	0	0	0	1	1	2
ATOASUK	AK	1	0	1	0	0	0	1	0	1
BUCKLAND	AK	1	0	1	0	0	0	1	0	1
DOT LAKE	AK	1	0	1	0	0	0	1	0	1
FORT YUKON	AK	1	0	1	0	0	0	1	0	1
HOPE	AK	1	0	1	0	0	0	1	0	1
HOUSTON	AK	1	0	1	0	0	0	1	0	1
HUSLIA	AK	1	0	1	0	0	0	1	0	1
LOWER KALSKAG	AK	1	0	1	0	0	0	1	0	1
MOOSE PASS	AK	1	0	1	0	0	0	1	0	1
NAUKATI BAY	AK	1	0	1	0	0	0	1	0	1
NIKISHKA	AK	1	0	1	0	0	0	1	0	1
NOORVIK	AK	1	0	1	0	0	0	1	0	1
OSCARVILLE	AK	1	0	1	0	0	0	1	0	1

**Number of 2007 Year-End Permits by Alaskan Community
(Ranked by Limited Entry Permits)**

CITY	STATE	Resident			Nonresident			Overall		
		Limited Entry	Open Access	Total	Limited Entry	Open Access	Total	Limited Entry	Open Access	Total
PITKAS POINT	AK	1	0	1	0	0	0	1	0	1
POINT LAY	AK	1	0	1	0	0	0	1	0	1
SALCHA	AK	1	0	1	0	0	0	1	0	1
SLEETMUTE	AK	1	0	1	0	0	0	1	0	1
UPPER KALSKAG	AK	1	0	1	0	0	0	1	0	1
WHITE MOUNTAIN	AK	1	0	1	0	0	0	1	0	1
WISEMAN	AK	1	0	1	0	0	0	1	0	1
SAINT PAUL ISLAND	AK	0	23	23	0	0	0	0	23	23
SAVOONGA	AK	0	12	12	0	0	0	0	12	12
AKUTAN	AK	0	9	9	0	0	0	0	9	9
ATKA	AK	0	9	9	0	0	0	0	9	9
SAINT GEORGE ISL	AK	0	6	6	0	0	0	0	6	6
NIKOLSKI	AK	0	2	2	0	0	0	0	2	2
CHINIAK	AK	0	1	1	0	0	0	0	1	1
DENALI PARK	AK	0	1	1	0	0	0	0	1	1
PRUDHOE BAY	AK	0	1	1	0	0	0	0	1	1
Alaskan Subtotal		11,213	4,529	15,742	147	68	215	11,360	4,597	15,957
Non-Alaskan Community		73	41	114	3,183	1,352	4,535	3,256	1,393	4,649
Grand Total		11,286	4,570	15,856	3,330	1,420	4,750	14,616	5,990	20,606

Source: CFEC permit file

Note: This table reflects year-end 2007 permit information for permanent and interim-use permits in limited fisheries, and interim-use permits in open access fisheries. Educational, hatchery, trust, reservation, and permits foreclosed upon and held by the Department of Commerce, Community & Economic Development, Division of Investments are not included.

Note: Residency reflects the declared residency of the permit holder at the time the permit was applied for or renewed.

Note: The city and state reflect the permanent mailing address of the permit holder at the time the permit was applied for or renewed. The Non-Alaskan community totals reflect permit holders whose permanent mailing address was not Alaska.

Note: The totals indicated here may not match totals presented on the CFEC website (www.cfec.state.ak.us) due to slight differences in programming selection criteria. This table includes 2007 halibut permits, whereas some 2007 tables on the CFEC website do not (as of July 14, 2008).

7/28/08

Motor Fuel Tax
AS 43.40

Description

Alaska levies a motor fuel tax on motor fuel sold, transferred or used within Alaska. The division collects motor fuel taxes primarily from wholesalers and distributors that hold "qualified dealer" licenses issued by the division.

Rates

	Per Gallon
Highway	8¢
Marine	5¢
Aviation Gasoline	4.7¢
Jet Fuel	3.2¢

Returns

Taxpayers file returns and make payment monthly. There are four separate returns: diesel, gasoline, aviation and gasohol.

The due date is the last day of the month following the month of sale or taxable use. Taxpayers may deduct 1 percent of the tax due, limited to a maximum of \$100 per return, as a timely filing credit.

Refunds

Consumers may claim a refund for the full tax rate if the consumer used the fuel for exempt purposes, or for the difference between the tax rate and 2¢ per gallon if the consumer used the fuel off-highway.

Resellers, usually retailers, may claim a refund for the full tax if the reseller paid the tax, and then sold the fuel for exempt use and did not collect the tax.

Exemptions

In addition to sales between qualified dealers, the following sales

and use are exempt from motor fuel tax:

- Heating
- Federal, state and local government agencies
- Foreign flights (jet fuel)
- Exports
- Power plants/utilities
- Charitable institutions
- Bunker fuel (residual fuel oil or #6 fuel oil)

Disposition of Revenue

The division deposits revenue derived from motor fuel taxes into the General Fund. Revenue from each category of fuel is accounted for separately in the division's tax accounting system. For example, proceeds from tax on motor fuel used in boats and watercraft are deposited in a special watercraft fuel tax account and proceeds from tax on motor fuel used in highway vehicles are deposited in a special highway fuel tax account within the General Fund.

The division shares with the respective municipalities 60 percent of taxes attributable to aviation fuel sales at municipally owned or operated airports. All other proceeds of the taxes on aviation fuel are deposited into a special aviation fuel tax account.

History

The motor fuel tax dates back to 1945 when the legislature imposed a tax of 1¢ per gallon on all motor fuel. Over time, the legislature enacted separate tax rates for each of the fuel categories as they exist today. Motor fuel tax rates have changed as follows.

1994 – The legislature enacted a tax decrease for bunker fuel. The tax rate decreases from 5¢ to 1¢ per gallon on bunker fuel sales exceeding 4.1 million gallons. The tax decrease expired on June 30, 1998.

Highway	Gallon
1945	1¢
1947	2¢
1955	5¢
1960	7¢
1961	8¢
1964	7¢
1970	8¢

Gasohol	Rate Per Gallon
1997	8¢ / 2¢

(2¢ November through February where required)

Marine	Rate Per Gallon
1945	1¢
1947	2¢
1955	5¢
1957	2¢
1960	3¢
1971	4¢
1977	5¢

Aviation Gasoline	Rate Per Gallon
1945	1¢
1947	2¢
1955	3¢
1968	4¢
1994	4.7¢

	Rate Per Gallon
1957	1.5¢
1968	2.5¢
1994	3.2¢

1997 – The legislature repealed the gasohol exemption. The legislature enacted a provision that reduces the tax on gasohol from 8¢ to 2¢ per gallon in areas and at times when the use of gasohol is required. However, gasohol has not been required since the winter of 2002-2003 and gasohol is currently taxed at the full tax rate of 8¢.

Legislation was also passed that fully exempted gasohol blended with at least 10 percent alcohol derived from wood or seafood waste. This legislation expired on June 30, 2004.

The legislature expanded the foreign flight exemption to include flights originating from foreign countries in addition to the existing exemption for flights with a foreign destination. This legislation included a permanent exemption for bunker fuel (residual fuel oil known as #6 fuel oil) which nullified the 1994 bunker fuel tax rate reduction.

1998 - The legislature authorized taxpayers to take a "bad debt" credit for sales deemed to be worthless and for sales to persons who file bankruptcy.

2003 – The legislature enacted legislation that made it easier for the state to issue motor fuel excise tax refunds for credit card purchases made by federal, state and local government agencies.

2004 – The provision that exempted gasohol blended with at least 10 percent alcohol derived from wood or seafood waste from the motor fuel tax expired on June 30, 2004. Currently all gasohol is taxed at the rate of 8 cents per gallon.

FY 2007 Statistics**Tax Collections**

Highway	\$29,360,245
Marine Fuel	5,576,352
Jet Fuel	4,124,896
Aviation Gasoline	685,844
Penalties & Interest	<u>(62,525)</u>
Total Tax Collections	39,685,312
Less Aviation Fuel Tax Shared	<u>(147,322)</u>
Total Amount Retained by State	<u><u>\$39,537,990</u></u>

Motor Fuel Type**Gallons**

Highway	343,413,022
Marine Fuel	109,751,602
Jet Fuel	159,392,320
Aviation Gasoline	14,347,643

* Gallons noted may not compute if calculated as: Gallons X Tax Rate = Tax Collected
 Gallons are recorded on the tax return and calculated based on the return tax period,
 whereas tax collections are calculated based on the amount received within a time
 period and may include payments or refunds from a previous tax period.

Number of Returns	3,610
Number of Taxpayers	250
Program Cost	\$429,985
Staffing (full time equivalent)	5.2

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

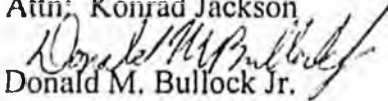
State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

July 15, 2008

SUBJECT: Suspension of the motor fuel tax (HB 4004;
Work Order No. 25-GH4060\A)

TO: Representative Kurt Olson
Chair of the House Labor & Commerce Committee
Attn: Konrad Jackson

FROM: 
Donald M. Bullock Jr.
Legislative Counsel

You asked whether the suspension of the motor fuel tax could, in any way, jeopardize federal matching funds. You also asked whether an antitrust issue is raised if fuel dealers do not pass on the tax reduction to consumers.

With regard to your first question, I have not found a federal requirement that a state impose a tax on the transfer of motor fuel. There is also no dedication of receipts from the motor fuel tax within AS 43.40; therefore, all motor fuel tax proceeds are deposited in the general fund.¹ Should matching state funds be required for a particular federal grant, the legislature could appropriate the required match from the general fund.

There is one link between the motor fuel tax and federal funding, but it has nothing to do with the amount of the tax imposed or collected. Under 23 U.S.C. 10(b)(1)(A)(iii), the total diesel fuel used in the state is a factor in determining the proportionate state share of sums authorized to be appropriated for expenditure on the Interstate and National Highway System program, the Congestion Mitigation and Air Quality Improvement program, the highway safety improvement program, and the Surface Transportation program. Sec. 1(b) of HB 4004 requires continued reporting during the suspension period by persons otherwise subject to AS 43.40.010(c), so that the state will have information required for determining the state's proportionate share.

¹ AS 43.40.010(c), which provides for the sharing of certain aviation fuel taxes with municipal airports, may appear to be a dedicated fund. However, it is not. The provision was enacted in 1961 (sec. 1, ch. 110, SLA 1961), two years after the state achieved statehood and a dedication is not otherwise authorized under art. IX, sec. 7 of the state constitution.

With regard to your second question, it is first significant to note that there is no specific mechanism in HB 4004 that reduces the sales price of motor fuel because of the suspension of the tax. In other words, the bill does not require persons that sell motor fuel to reduce the price at the pump by the amount of the suspended motor fuel tax. Thus, the failure to pass the savings to the purchase of the fuel in itself is not contrary to the language in HB 4004.²

Motor fuel taxes are similar to sales taxes in that the tax generally is collected from the purchaser by the dealer who then pays the collected tax to the state.³ A person consuming motor fuel that was not previously subject to the full amount of the motor fuel tax is directly liable for paying the tax on the consumed fuel to the state.⁴ A person that is directly liable to the state for the motor fuel tax on previously untaxed or undertaxed fuel used by the person is called a "user."⁵

A user will directly benefit from the passage of HB 4004 or SB 4004 because the tax that the user would otherwise have to pay is suspended. A person normally paying the tax to the person from whom they are purchasing the fuel will only benefit from the suspension of the motor fuel tax if the seller reduces the sales price by the amount of the tax that would otherwise be collected if the suspension were not in place.

In the situation where a dealer sells motor fuel that includes the state's tax, and given the fluctuation in gasoline prices and the fact that the tax on gasoline at eight cents a gallon is less than two percent of the sales price, it may be difficult to determine whether a change in sales price is directly related to the suspension of the motor fuel tax. What if the dealer unilaterally wants to keep the price the same? The customer pays the same amount, but the part of the price that would otherwise be paid to the state is used by the dealer in the dealer's discretion. Is there an expectation that any saving in the cost of the dealer's operation will be passed forward to the purchaser? If the electric bill is reduced, property taxes go down, or the cost of the dealer's lease is reduced, are the customers entitled to a lower price?

If motor fuel dealers agree or conspire to harm or restrain competition, such as agreeing to certain pricing without regard to whether a motor fuel tax is in place, the dealers may be found to violate antitrust laws. AS 45.50.562 is the state's antitrust statute; claims

² Unlike utilities regulated by the Regulatory Commission of Alaska, motor fuel dealers do not have prices set by the state.

³ AS 43.40.010(a) and (c).

⁴ AS 43.40.010(b) and (c).

⁵ AS 43.40.100(4).

Representative Kurt Olson
July 15, 2008
Page 3

under this statute are analogous to claims brought under sec. 1 of the federal Sherman Act.⁶

To establish a prima facie antitrust case under Alaska law, a plaintiff must prove three elements: (1) an agreement or conspiracy involving two or more persons or distinct business entities; (2) by which the persons or entities intended to harm or restrain competition; and (3) which actually injures competition.⁷ If the elements are proven, there is an antitrust violation. Agreeing or conspiring to either pass the motor fuel tax saving to customers or maintain price levels during the suspension of the tax may raise the issue of price-fixing. However, a prima facie antitrust case is only established if the three elements are proven.

If I may be of further assistance, please advise.

DMB:ljw
08-297.ljw

⁶ *Alakayak v. British Columbia Packing, Ltd.*, 48 P.3d 432, 448 (Alaska 2002). Sec. 1 of the Sherman Act is codified at 15 U.S.C. 1.

⁷ *Alakayak*, 48 P.3d at 448.

SARAH PALIN
GOVERNOR
GOVERNOR@GOV.STATE.AK.US



P.O. Box 110001
JUNEAU, ALASKA 99811-0001
(907) 465-3500
FAX (907) 465-3532
WWW.GOV.STATE.AK.US

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

July 21, 2008

VIA HAND DELIVERY

The Honorable Kurt Olson
Alaska State Representative
Chair, House Labor and Commerce Committee
State Capitol, Room 408
Juneau, AK 99801

Re: HB 4004 (Suspending the Motor Fuel Tax)

Dear Chairman Olson:

Thank you for scheduling HB 4004 for a hearing. As you know, the bill would suspend the state motor fuel tax for a year. Certain areas of our economy would benefit significantly from a suspension of the motor fuel tax. The Alaska fishing industry is one such area.

High fuel prices are threatening our state's largest private employer and a vital part of our economy, the fishing industry. Our fishermen, their families, and coastal communities of this state need assistance. Consider this: nearly the entire process of commercial fishing involves the use of motor fuel, from the fisherman catching the fish, to the tender vessel running the fish to a processor, to transporting fish products by air or sea to markets overseas and to the "lower 48" states.

Suspending the state motor fuel tax for a year would save a fisherman putting 2,000 hours a year on his engine and generator and burning 12 gallons an hour about \$1,200. A large processor using tender vessels to transport fish and buying 500,000 gallons of diesel fuel a year would save roughly \$25,000. These are very significant savings and come at a time when every penny counts. Fishermen and processors could also save on costs to transport their fish to markets overseas by air and sea as cargo carriers would also pay reduced fuel costs.

This bill is just one of several efforts to assist fishermen at the state and federal levels. The state Division of Investments is also offering low-interest loans for fishermen to install more fuel-efficient engines. At the federal level, Senator Lisa

The Honorable Kurt Olson

July 21, 2008

Page 2

Murkowski has recently introduced legislation aimed at assisting fishermen ("The Fisheries Fuel Tax Relief Act of 2008"). That bill would provide fishermen with a fuel tax credit on their federal taxes.

I would also note suspending the motor fuel tax is particularly important for the many rural communities which have high numbers of residents holding either limited entry or open access fishing permits. A list of Alaska communities and the numbers of permits held by residents of those communities is enclosed.

Also enclosed is a draft amendment that should help ensure the savings from the tax suspension are passed on to consumers. Please enter this letter and these documents into the record of the committee. I urge your support in moving the bill to the floor of the House for a vote.

I am available at your convenience to answer any questions you might have.

Sincerely,

A handwritten signature in black ink, appearing to read "Randy Ruaro". The signature is fluid and cursive, with a long horizontal stroke at the end.

Randy Ruaro
Special Staff Assistant

Enclosures

cc: The Honorable Lisa Murkowski, United States Senator
Alaska State Legislature

A M E N D M E N T

OFFERED IN THE SENATE FINANCE
COMMITTEE
TO: SB 4004

BY _____

1 Page 2, following line 2:

2 Insert:

3 "(c) Every retail dealer who sell or transfers motor fuel for highway use shall
4 post a sign on each pump that states "As of August 1, 2008, the State of Alaska has
5 suspended the Alaska motor fuel tax. This tax suspension will continue through July 31,
6 2009. The amount of this tax is eight cents per gallon. The price on this pump reflects
7 the elimination of this tax." The sign must be 4 inches by 8 inches, and clearly visible to
8 the consumer. Failure to post this sign on each pump is a violation of AS 45.50.471, and
9 the retail dealer is subject to a fine up to \$5,000 for each day that, and for each pump on
10 which, the required sign is not posted."

11

12 Page 2, line 3:

13 Delete "(c)"

14 Insert "(d)"

State of Alaska
Commercial Fisheries Entry Commission

July 14, 2008

**Number of 2007 Year-End Permits by Alaskan Community
(Ranked by Total Permits)**

CITY	STATE	Resident			Nonresident			Overall		
		Limited Entry	Open Access	Total	Limited Entry	Open Access	Total	Limited Entry	Open Access	Total
KODIAK	AK	578	674	1,252	10	15	25	588	689	1,277
PETERSBURG	AK	760	374	1,134	12	7	19	772	381	1,153
SITKA	AK	590	464	1,054	9	6	15	599	470	1,069
HOMER	AK	563	383	946	4	9	13	567	392	959
ANCHORAGE	AK	696	127	823	7	4	11	703	131	834
CORDOVA	AK	464	98	562	25	2	27	489	100	589
KETCHIKAN	AK	459	114	573	3	1	4	462	115	577
JUNEAU	AK	375	187	562	2	0	2	377	187	564
WRANGELL	AK	315	111	426	2	0	2	317	111	428
TOGIAK	AK	292	26	318	0	0	0	292	26	318
CRAIG	AK	231	72	303	13	0	13	244	72	316
DILLINGHAM	AK	241	54	295	7	0	7	248	54	302
KENAI	AK	223	49	272	9	1	10	232	50	282
YAKUTAT	AK	190	71	261	5	1	6	195	72	267
SAND POINT	AK	94	130	224	1	0	1	95	130	225
BETHEL	AK	204	5	209	0	0	0	204	5	209
WASILLA	AK	157	41	198	0	1	1	157	42	199
HAINES	AK	126	60	186	1	0	1	127	60	187
SOLDOTNA	AK	133	41	174	5	2	7	138	43	181
KASLOF	AK	140	35	175	2	0	2	142	35	177
HOONAH	AK	110	41	151	1	0	1	111	41	152
FAIRBANKS	AK	123	11	134	0	0	0	123	11	134
NAKNEK	AK	113	13	126	1	0	1	114	13	127
SEWARD	AK	65	60	125	0	2	2	65	62	127
KOTZEBUE	AK	116	6	122	0	0	0	116	6	122
UNALAKLET	AK	114	8	122	0	0	0	114	8	122
TOKSOOK BAY	AK	57	61	118	0	0	0	57	61	118
EMMONAK	AK	98	19	117	0	0	0	98	19	117
MANOKOTAK	AK	113	3	116	0	0	0	113	3	116
QUINHAGAK	AK	89	12	101	0	0	0	89	12	101
KING COVE	AK	52	47	99	1	1	2	53	48	101
DOUGLAS	AK	63	36	99	0	0	0	63	36	99
ALAKANUK	AK	85	7	92	0	0	0	85	7	92
KOTLIK	AK	81	8	89	0	0	0	81	8	89
PALMER	AK	63	22	85	0	0	0	63	22	85
ANCHOR POINT	AK	50	33	83	2	0	2	52	33	85
AKIACHAK	AK	81	1	82	0	0	0	81	1	82
MOUNTAIN VILLAGE	AK	79	3	82	0	0	0	79	3	82

**Number of 2007 Year-End Permits by Alaskan Community
(Ranked by Total Permits)**

CITY	STATE	Resident			Nonresident			Overall		
		Limited Entry	Open Access	Total	Limited Entry	Open Access	Total	Limited Entry	Open Access	Total
SAINT MARYS	AK	75	7	82	0	0	0	75	7	82
MEKORYUK	AK	37	45	82	0	0	0	37	45	82
WARD COVE	AK	63	18	81	0	0	0	63	18	81
PELICAN	AK	45	33	78	2	0	2	47	33	80
NOME	AK	28	45	73	0	0	0	28	45	73
METLAKATLA	AK	56	14	70	0	0	0	56	14	70
EAGLE RIVER	AK	55	14	69	0	0	0	55	14	69
KAKE	AK	51	17	68	0	0	0	51	17	68
SELDOVIA	AK	39	23	62	0	0	0	39	23	62
TUNUNAK	AK	23	37	60	0	0	0	23	37	60
UNALASKA	AK	9	47	56	0	4	4	9	51	60
KLAWOCK	AK	55	4	59	0	0	0	55	4	59
TUNTUTULIAK	AK	55	4	59	0	0	0	55	4	59
NIKISKI	AK	50	7	57	2	0	2	52	7	59
PILOT STATION	AK	56	1	57	0	0	0	56	1	57
HYDABURG	AK	51	6	57	0	0	0	51	6	57
AUKE BAY	AK	38	17	55	1	1	2	39	18	57
OLD HARBOR	AK	37	20	57	0	0	0	37	20	57
GUSTAVUS	AK	34	23	57	0	0	0	34	23	57
CHIGNIK LAGOON	AK	26	26	52	2	2	4	28	28	56
DUTCH HARBOR	AK	8	41	49	0	7	7	8	48	56
KWETHLUK	AK	55	0	55	0	0	0	55	0	55
NINILCHIK	AK	49	6	55	0	0	0	49	6	55
SCAMMON BAY	AK	51	3	54	0	0	0	51	3	54
GIRDWOOD	AK	41	13	54	0	0	0	41	13	54
VALDEZ	AK	35	17	52	1	0	1	36	17	53
NUNAPITCHUK	AK	50	0	50	0	0	0	50	0	50
CHEFORNAK	AK	13	37	50	0	0	0	13	37	50
KIPNUK	AK	21	28	49	0	0	0	21	28	49
EEK	AK	46	2	48	0	0	0	46	2	48
PORT ALEXANDER	AK	21	27	48	0	0	0	21	27	48
CLAM GULCH	AK	31	13	44	3	0	3	34	13	47
GOODNEWS BAY	AK	46	0	46	0	0	0	46	0	46
KING SALMON	AK	39	3	42	3	0	3	42	3	45
THORNE BAY	AK	35	9	44	0	0	0	35	9	44
CHUGIAK	AK	37	5	42	1	0	1	38	5	43
NAPAKIAK	AK	42	0	42	0	0	0	42	0	42
SHAKTOOLIK	AK	37	5	42	0	0	0	37	5	42
HOOPER BAY	AK	34	8	42	0	0	0	34	8	42
DELTA JUNCTION	AK	15	27	42	0	0	0	15	27	42
KASIGLUK	AK	41	0	41	0	0	0	41	0	41
ELFIN COVE	AK	23	17	40	0	0	0	23	17	40

**Number of 2007 Year-End Permits by Alaskan Community
(Ranked by Total Permits)**

CITY	STATE	Resident			Nonresident			Overall		
		Limited Entry	Open Access	Total	Limited Entry	Open Access	Total	Limited Entry	Open Access	Total
ELIM	AK	37	2	39	0	0	0	37	2	39
ANGOON	AK	24	15	39	0	0	0	24	15	39
MARSHALL	AK	38	0	38	0	0	0	38	0	38
PORT LIONS	AK	22	16	38	0	0	0	22	16	38
SOUTH NAKNEK	AK	32	0	32	4	0	4	36	0	36
OUZINKIE	AK	15	20	35	0	0	0	15	20	35
NIKOLAEVSK	AK	13	20	33	0	1	1	13	21	34
NIGHTMUTE	AK	16	17	33	0	0	0	16	17	33
NEWTOK	AK	13	20	33	0	0	0	13	20	33
NAPASKIAK	AK	31	1	32	0	0	0	31	1	32
WILLOW	AK	14	17	31	1	0	1	15	17	32
POINT BAKER	AK	25	6	31	0	0	0	25	6	31
STERLING	AK	16	15	31	0	0	0	16	15	31
ALEKNAGIK	AK	28	1	29	0	0	0	28	1	29
NELSON LAGOON	AK	27	2	29	0	0	0	27	2	29
NEW STUYAHOK	AK	25	3	28	0	0	0	25	3	28
TULUKSAK	AK	26	1	27	0	0	0	26	1	27
ATMAUTLUAK	AK	26	0	26	0	0	0	26	0	26
NENANA	AK	25	0	25	0	0	0	25	0	25
NORTH POLE	AK	21	3	24	1	0	1	22	3	25
EGEGIK	AK	19	4	23	2	0	2	21	4	25
AKIAK	AK	23	0	23	0	0	0	23	0	23
SAINT PAUL ISLAND	AK	0	23	23	0	0	0	0	23	23
KWIGILLINGOK	AK	17	5	22	0	0	0	17	5	22
KONGIGANAK	AK	15	7	22	0	0	0	15	7	22
GRAYLING	AK	9	13	22	0	0	0	9	13	22
CHEVAK	AK	14	6	20	0	0	0	14	6	20
EDNA BAY	AK	13	7	20	0	0	0	13	7	20
NUNAM IQUA	AK	12	8	20	0	0	0	12	8	20
CHIGNIK	AK	7	12	19	0	1	1	7	13	20
TENAKEE	AK	15	4	19	0	0	0	15	4	19
FRITZ CREEK	AK	13	6	19	0	0	0	13	6	19
STEBBINS	AK	18	0	18	0	0	0	18	0	18
MEYERS CHUCI	AK	14	4	18	0	0	0	14	4	18
KOLIGANEK	AK	17	0	17	0	0	0	17	0	17
ILIAMNA	AK	16	1	17	0	0	0	16	1	17
TYONEK	AK	16	0	16	0	0	0	16	0	16
RUSSIAN MISSION	AK	15	0	15	0	0	0	15	0	15
PORT HEIDEN	AK	13	2	15	0	0	0	13	2	15
TANANA	AK	14	0	14	0	0	0	14	0	14
PILOT POINT	AK	12	2	14	0	0	0	12	2	14
GALENA	AK	13	0	13	0	0	0	13	0	13

**Number of 2007 Year-End Permits by Alaskan Community
(Ranked by Total Permits)**

CITY	STATE	Resident			Nonresident			Overall		
		Limited Entry	Open Access	Total	Limited Entry	Open Access	Total	Limited Entry	Open Access	Total
GOLOVIN	AK	12	1	13	0	0	0	12	1	13
LARSEN BAY	AK	10	1	11	2	0	2	12	1	13
FALSE PASS	AK	6	7	13	0	0	0	6	7	13
ANIAK	AK	11	1	12	0	0	0	11	1	12
ANVIK	AK	11	1	12	0	0	0	11	1	12
TWIN HILLS	AK	10	2	12	0	0	0	10	2	12
SAVOONGA	AK	0	12	12	0	0	0	0	12	12
CLARKS POINT	AK	11	0	11	0	0	0	11	0	11
KOYUK	AK	11	0	11	0	0	0	11	0	11
NEWHALEN	AK	11	0	11	0	0	0	11	0	11
COPPER CENTER	AK	10	1	11	0	0	0	10	1	11
KALTAG	AK	10	0	10	0	0	0	10	0	10
MANLEY HOT SPRINGS	AK	10	0	10	0	0	0	10	0	10
BIG LAKE	AK	9	0	9	0	0	0	9	0	9
HOLY CROSS	AK	9	0	9	0	0	0	9	0	9
KOKHANOK	AK	9	0	9	0	0	0	9	0	9
NULATO	AK	9	0	9	0	0	0	9	0	9
PLATINUM	AK	9	0	9	0	0	0	9	0	9
PERRYVILLE	AK	7	2	9	0	0	0	7	2	9
HALIBUT COVE	AK	4	5	9	0	0	0	4	5	9
AKUTAN	AK	0	9	9	0	0	0	0	9	9
ATKA	AK	0	9	9	0	0	0	0	9	9
RUBY	AK	8	0	8	0	0	0	8	0	8
SAINT MICHAEL	AK	8	0	8	0	0	0	8	0	8
TALKEETNA	AK	8	0	8	0	0	0	8	0	8
PORT GRAHAM	AK	7	1	8	0	0	0	7	1	8
SUTTON	AK	6	2	8	0	0	0	6	2	8
ADAK	AK	1	7	8	0	0	0	1	7	8
COFFMAN COVE	AK	7	0	7	0	0	0	7	0	7
LEVELOCK	AK	7	0	7	0	0	0	7	0	7
SKAGWAY	AK	6	1	7	0	0	0	6	1	7
HYDER	AK	5	2	7	0	0	0	5	2	7
WHITTIER	AK	2	5	7	0	0	0	2	5	7
AKHIOK	AK	6	0	6	0	0	0	6	0	6
GLENNALLEN	AK	6	0	6	0	0	0	6	0	6
NANWALEK	AK	6	0	6	0	0	0	6	0	6
NOATAK	AK	6	0	6	0	0	0	6	0	6
NONDALTON	AK	6	0	6	0	0	0	6	0	6
SAINT GEORGE ISL	AK	0	6	6	0	0	0	0	6	6
BARROW	AK	5	0	5	0	0	0	5	0	5
CHIGNIK LAKE	AK	5	0	5	0	0	0	5	0	5
TELLER	AK	5	0	5	0	0	0	5	0	5

**Number of 2007 Year-End Permits by Alaskan Community
(Ranked by Total Permits)**

CITY	STATE	Resident			Nonresident			Overall		
		Limited Entry	Open Access	Total	Limited Entry	Open Access	Total	Limited Entry	Open Access	Total
TRAPPER CREEK	AK	5	0	5	0	0	0	5	0	5
UGASHIK	AK	5	0	5	0	0	0	5	0	5
GAKONA	AK	4	1	5	0	0	0	4	1	5
TATITLEK	AK	4	1	5	0	0	0	4	1	5
COLD BAY	AK	3	2	5	0	0	0	3	2	5
COOPER LANDING	AK	4	0	4	0	0	0	4	0	4
SELAWIK	AK	4	0	4	0	0	0	4	0	4
CHIGNIK BAY	AK	3	0	3	0	0	0	3	0	3
CIRCLE CITY	AK	3	0	3	0	0	0	3	0	3
DEERING	AK	3	0	3	0	0	0	3	0	3
EKWOK	AK	3	0	3	0	0	0	3	0	3
FORTUNA LEDGE	AK	3	0	3	0	0	0	3	0	3
IGIUGIG	AK	3	0	3	0	0	0	3	0	3
KALSKAG	AK	3	0	3	0	0	0	3	0	3
KIANA	AK	3	0	3	0	0	0	3	0	3
PEDRO BAY	AK	3	0	3	0	0	0	3	0	3
STEVENS VILLAGE	AK	3	0	3	0	0	0	3	0	3
AMBLER	AK	2	1	3	0	0	0	2	1	3
SHELDON POINT	AK	1	2	3	0	0	0	1	2	3
ALEXANDER CREEK	AK	2	0	2	0	0	0	2	0	2
FORT RICHARDSO	AK	2	0	2	0	0	0	2	0	2
FORT WAINWRIGHT	AK	2	0	2	0	0	0	2	0	2
HEALY	AK	2	0	2	0	0	0	2	0	2
INDIAN	AK	2	0	2	0	0	0	2	0	2
KASAAN	AK	2	0	2	0	0	0	2	0	2
KIVALINA	AK	2	0	2	0	0	0	2	0	2
PORT ALSWORTH	AK	2	0	2	0	0	0	2	0	2
RAMPART	AK	2	0	2	0	0	0	2	0	2
SHISHMAREF	AK	2	0	2	0	0	0	2	0	2
TOK	AK	2	0	2	0	0	0	2	0	2
TWO RIVERS	AK	2	0	2	0	0	0	2	0	2
CENTRAL	AK	1	1	2	0	0	0	1	1	2
CHITINA	AK	1	1	2	0	0	0	1	1	2
SHAGELUK	AK	1	1	2	0	0	0	1	1	2
NIKOLSKI	AK	0	2	2	0	0	0	0	2	2
ATQASUK	AK	1	0	1	0	0	0	1	0	1
BUCKLAND	AK	1	0	1	0	0	0	1	0	1
DOT LAKE	AK	1	0	1	0	0	0	1	0	1
FORT YUKON	AK	1	0	1	0	0	0	1	0	1
HOPE	AK	1	0	1	0	0	0	1	0	1
HOUSTON	AK	1	0	1	0	0	0	1	0	1
HUSLIA	AK	1	0	1	0	0	0	1	0	1

**Number of 2007 Year-End Permits by Alaskan Community
(Ranked by Total Permits)**

CITY	STATE	Resident			Nonresident			Overall		
		Limited Entry	Open Access	Total	Limited Entry	Open Access	Total	Limited Entry	Open Access	Total
LOWER KALSKAG	AK	1	0	1	0	0	0	1	0	1
MOOSE PASS	AK	1	0	1	0	0	0	1	0	1
NAUKATI BAY	AK	1	0	1	0	0	0	1	0	1
NIKISHKA	AK	1	0	1	0	0	0	1	0	1
NOORVIK	AK	1	0	1	0	0	0	1	0	1
OSCARVILLE	AK	1	0	1	0	0	0	1	0	1
PITKAS POINT	AK	1	0	1	0	0	0	1	0	1
POINT LAY	AK	1	0	1	0	0	0	1	0	1
SALCHA	AK	1	0	1	0	0	0	1	0	1
SLEETMUTE	AK	1	0	1	0	0	0	1	0	1
UPPER KA'ISKAG	AK	1	0	1	0	0	0	1	0	1
WHITE MOUNTAIN	AK	1	0	1	0	0	0	1	0	1
WISEMAN	AK	1	0	1	0	0	0	1	0	1
CHINIAK	AK	0	1	1	0	0	0	0	1	1
DENALI PARK	AK	0	1	1	0	0	0	0	1	1
PRUDHOE BAY	AK	0	1	1	0	0	0	0	1	1
Alaskan Subtotal		11,213	4,529	15,742	147	68	215	11,360	4,597	15,957
Non-Alaskan Community		73	41	114	3,183	1,352	4,535	3,256	1,393	4,649
Grand Total		11,286	4,570	15,856	3,330	1,420	4,750	14,616	5,990	20,606

Source: CFEC permit file

Note: This table reflects year-end 2007 permit information for permanent and interim-use permits in limited fisheries, and interim-use permits in open access fisheries. Educational, hatchery, test, reservation, and permits foreclosed upon and held by the Department of Commerce, Community & Economic Development, Division of Investments are not included.

Note: Residency reflects the declared residency of the permit holder at the time the permit was applied for or renewed.

Note: The city and state reflect the permanent mailing address of the permit holder at the time the permit was applied for or renewed. The Non-Alaskan community totals reflect permit holders whose permanent mailing address was not Alaska.

Note: The totals indicated here may not match totals presented on the CFEC website (www.cfec.state.ak.us) due to slight differences in programming selection criteria. This table includes 2007 halibut permits

NEWS FROM THE OFFICE OF

SENATOR LISA MURKOWSKI

United States Senate



SENATOR MURKOWSKI INTRODUCES LEGISLATION TO HELP COMMERCIAL FISHERMEN WITH EXCESSIVE FUEL COSTS

Thursday, June 26, 2008

WASHINGTON, D.C. - Sen. Lisa Murkowski, R-Alaska, today introduced legislation that would provide commercial fishermen a temporary income tax credit to help them offset the high cost of fuel.

"My office has received a petition signed by more than 1,700 Alaskans asking Congress to help provide commercial fishermen with emergency relief from high fuel prices," Murkowski said. "The Fisheries Fuel Tax Relief Act of 2008, which I introduced today along with Sen. Ted Stevens as an original co-sponsor, would go a long way toward helping our fishermen out in these dire economic times."

The tax credit would be based on the difference between the price of fuel on Labor Day 2004, adjusted for inflation, and prices paid this year. The excessive fuel costs would be an additional deduction for an eligible taxpayer, and the tax credit would be applicable for a two-year period following enactment of the legislation.

"Diesel fuel prices in Alaska and across the nation have increased more than 50 percent over the past year," Murkowski said. "Some fishermen are reporting that they are now spending up to 70 percent of their income for fuel."

Senator Ted Stevens said: "Soaring fuel costs have dramatically impacted Alaska's commercial fishermen. As I travel around the state, many people have told me that they can no longer afford to fuel their boats and cannot earn a living. This is having an unfortunate effect on Alaska's families that depend on fishing as their only income. It also hurts our nation, because our seafood fills Americans' freezers from coast to coast. Something must be done now. I am pleased to join Senator Murkowski in introducing this bill that will provide much needed relief for our commercial fishermen, and I urge Congress to pass it as quickly as possible."

Murkowski said that high fuel prices are having a "devastating impact" on the commercial fishing industry because fishermen don't have the option of passing the cost of fuel on to customers, turning to alternative modes of transportation or selling their product for a higher price.

"Fish prices, in most cases, are set by the seafood processing sector and are tied to prices in the global seafood market," Murkowski said.

Murkowski said that fishermen all over the country are staying tied to the dock, unable to make enough money from their catch to pay for fuel.

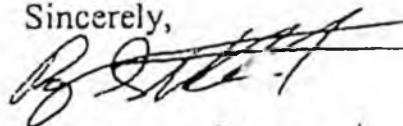
"In Gloucester and Biloxi, Key West and Honolulu, Point Judith and Kodiak, fishermen simply can't afford to go fishing," she said. "And some U.S. vessels are running all the way from the Gulf of Mexico and California to Mexico to buy fuel. When fishermen can't go fishing, they can't make their boat and permit payments. Many are simply going out of business.

"Since more than 80 percent of the seafood Americans eat is imported, we simply can't afford for this to happen. We must try to help the fishing industry weather this storm. I believe this legislation will help us do that."

May 9, 2008

We would like to make you aware of our petition to help commercial fishermen with high fuel costs. We've started getting signatures in Petersburg with plans to expand our efforts. We would appreciate any help you can provide on this issue. Please contact us, we would like to share our ideas with you.

Sincerely,



Sara M. Stoner

Ray and Sara Stoner
P.O. Box 394
Petersburg, Alaska 99833
907-209-3095

CC:

Senator Ted Stevens
Senator Lisa Murkowski c/o Arni Fuglvog
US Representative Don Young
Governor Sarah Palin
Senator Bert Stedman
Representative Peggy Wilson

80/82/F

The Airport's Economic Impact.....18,434 Jobs

10,222
Airport Jobs

One in eight jobs in
Anchorage

About \$562 million in
direct annual payroll

Another \$288 million
in annual payroll for
community jobs

8,212
Community
Jobs

Source: Institute of Social and Economic Research, University of Alaska Anchorage, September 2007.