

**ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672**  
**6569 SENATE RESOURCES**

973

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: BILL RASMUSSEN

TITLE:

ADDRESS: 1618 EAGLE RIVER ROAD

CITY: EAGLE RIVER

ZIP: 99577

PHONE: 694-9540

BILL NO: SB 8

SUBJECT: ALASKA WOMEN'S COMMISSION

MESSAGE: I WOULD LIKE FOR THIS TO EITHER BE DEFEATED OR AMENDED TO GIVE A  
BALANCED REPRESENTATION OF WOMEN.

POMID: 03154610

DATE: 03/17/89

TIME: 15:46:10

LOCATION: ANCHORAGE LIO

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: LAWRENCE EARDLEY

TITLE:

ADDRESS: BOX 83310

CITY: FAIRBANKS

ZIP: 99708

PHONE: 474-9644

BILL NO:

SUBJECT: ELF

MESSAGE: REPEAL THE ELF.

POMID: 07153805

DATE: 03/17/89

TIME: 15:38:05

LOCATION: FAIRBANKS LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
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DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMANSKI
SPOHNHOLZ	SHACKHAMMER	UEHLING
TAYLOR	ULNER	ZHAROFF
WALLIS	ZAWACKI	

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DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
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LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMANSKI
SPOHNHOLZ	SHACKHAMMER	UEHLING
TAYLOR	ULNER	ZHAROFF
WALLIS	ZAWACKI	

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: TOM TAGGART  
 TITLE: FREE AGENT  
 ADDRESS: P. O. BOX 150  
 CITY: HYDER  
 PHONE: N/R-

ZIP: 99923

BILL NO:  
 SUBJECT: THAT'S CAPITALISM, PT. 6  
 MESSAGE: "FAR BACK ON THE TRAIL THE MOUNTED MARMOT...HAD A TRADITION TO UPHOLD.  
 SENSING THAT HE NEEDED HELP,...MARMOT MUSHED HIS...MAMOUNDS INTO THE NEAREST  
 REMOTE CABIN!...MARMOT TORE OFF HIS...PACK, DRAGGING IT TO THE NEAREST WALL,  
 WHERE HE KNEW THERE WOULD BE A PHONE JACK..." (TO BE CONTINUED)

POMID: 00135350  
 DATE: 03/17/89  
 TIME: 13:53:50  
 LIONAME: JUNEAU LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATZ	COLTHS	COGHILL
COTTEN	DAV(DSON	DUNCAN
DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYHANSKI
SPONNHOLZ	SHACKHAMMER	UFHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: ELLEN MANNION  
 TITLE:  
 ADDRESS: BOX 120  
 CITY: FAIRBANKS  
 PHONE: 457-7645

ZIP: 99707

BILL NO:  
 SUBJECT: ~~ELF~~  
 MESSAGE: I'D LIKE TO ENCOURAGE YOU TO WORK TOWARD REPEALING THE ELF.  
 AS A CONSTRUCTION WORKER, I FEEL THAT THE ALASKAN OIL COMPANIES HAVE SHOWN  
 NO CONCERN TOWARD EMPLOYING ALASKANS. I ALSO FEEL THAT THEY ARE DOUBLE  
 TALKING BY ASKING TO KEEP THE ELF LOW FOR "MARGINAL" OIL FIELDS.

POMID: 07155827  
 DATE: 03/17/89  
 TIME: 15:58:27  
 LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVE

DAVIS, M.

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: BONNIE BATES  
 TITLE:  
 ADDRESS: BOX 3073  
 CITY: SOLDOTNA, ALASKA ZIP: 99669  
 PHONE: 283-3558

BILL NO:  
 SUBJECT: DAY CARE CENTERS  
 MESSAGE: I FEEL THAT IT IS VITALLY IMPORTANT THAT THE DAY CARE ASSISTANCE BE EXTENDED FROM APRIL 1ST THRU JULY 1ST. THERE IS SO MANY WORKING MOTHERS WHO WOULD HAVE TO GO ON WELFARE IF THEY COULD NOT GET DAY CARE ASSISTANCE. I ALSO THINK IT VITALLY IMPORTANT THAT THIS PROGRAM CONTINUES FROM JULY FORWARD. ITS ONE OF THE BEST WAYS OUR TAX MONEY CAN BE SPENT.

POHID: 13163705  
 DATE: 03/17/89  
 TIME: 16:57:05  
 LIONAME: SOLDOTNA LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

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DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMANSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: ED BUSH  
 TITLE:  
 ADDRESS: BOX 352  
 CITY: FAIRBANKS ZIP: 99707  
 PHONE: 457-4109

BILL NO:  
 SUBJECT: ELF  
 MESSAGE: I FEEL YOU SHOULD REPEAL, NOT MODIFY THE ELF. BIG OIL HAS BEEN PUMPING OUR OIL AT OVER 100 PER CENT CAPACITY OF THE PIPELINE, THAT'S NOT MARGINAL. NOW THEY WANT TO SET THE BUDGET. WHO CONTROLS WHO? WHO DO YOU WORK FOR?

POHID: 07163434  
 DATE: 03/17/89  
 TIME: 16:34:34  
 LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

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BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMANSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

CASEWORK

Senator Bettye Fahrenkamp  
119 North Cushman, Suite 201  
Fairbanks, Alaska 99701  
(907) 452-4882  
(907) 465-3834

Subject Separate accounting

Number \_\_\_\_\_

Date 3-20-89

Refer To: \_\_\_\_\_

NAME Don O'Leary

ADDRESS 5 1601 Crosson  
99701

PHONE 452-2271 WORK \_\_\_\_\_ HOME \_\_\_\_\_

Favors separate accounting

Thinks Elf is a side issue!

Just got back from Europe  
and ~~there~~ had some  
editorials that indicated  
Alaska is giving the oil Co's  
a free ride!

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: KATRINA ROSE  
 TITLE:  
 ADDRESS: P.O. BOX 58164  
 CITY: FAIRBANKS  
 PHONE: 488-2846  
 BILL NO:  
 SUBJECT: ELF

ZIP: 99711

MESSAGE: I WOULD LIKE YOU TO REPEAL THE ELF AND VOTE ON IT THIS SESSION.

POMID: 07104206  
 DATE: 03/17/89  
 TIME: 10:42:06  
 LIONAME: FAIRBANKS LIO

COPIES: SENATORS

ADAMS  
 BINKLEY  
 COGHILL  
 DUNCAN  
 ELIASON  
 FAIKS  
 FISCHER  
 FRANK  
 HALFORD  
 JONES  
 KELLY  
 KERTTULA  
 PEARCE  
 POURCHOT  
 RODEY  
 STURGULEWSKI  
 SZYMANSKI  
 UEHLING  
 ZHAROFF

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: KATHLEEN PLUNKETT  
 TITLE:  
 ADDRESS: 354 SOUTH PINE  
 CITY: ANCHORAGE  
 PHONE: 337-2451  
 BILL NO: SB 8  
 SUBJECT: ALASKA WOMEN'S COMMISSION

MESSAGE: I DO NOT SUPPORT THE WOMEN'S COMMISSION BILL (SB8). I DO SUPPORT REDUCTION IN ARTS FUNDING AND SUPPORTING STATE ARTISTS (HB3). THE OPERATING BUDGET MUST BE CUT FOR FY90. WE NEED TO GET STATE EXPENSES IN CONTROL WITHOUT INCREASING TAXES.

POMID: 03114935  
 DATE: 03/17/89  
 TIME: 11:49:35  
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

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BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MEHARD	MILLER	POURCHOT
NAVARRÉ	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMANSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

MAR 20 1989  
 MAR 20 1989  
 ZIP: 99508

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: JOHN KOCSIS  
 TITLE:  
 ADDRESS: 732 OLD STEESE HWY. N  
 CITY: FAIRBANKS  
 PHONE: 457-2422

ZIP: 99712

BILL NO:

SUBJECT: ELF

MESSAGE: I FAVOR THE REPEAL OF ELF AND WOULD LIKE IT VOTED ON IN THIS  
 SESSION. EOM/MJO

POMID: 07124217

DATE: 03/17/89

TIME: 12:42:17

LIONAME: FAIRBANKS LIO

COPIES: SENATOR

FRANK

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: DOROTHY J LARSEN  
 TITLE:  
 ADDRESS: 2274 ARCADIA DRIVE  
 CITY: ANCHORAGE  
 PHONE: 272-7222

ZIP: 99517

BILL NO: HB 118

SUBJECT: OIL &amp; GAS PROPERTIES PRODUCTION TAX -ELF

MESSAGE: I SUPPORT GOV COWPER'S POSITION ON THE ELF AMENDMENT. I URGE YOU TO  
 VOTE FOR HB118 AND AMEND THE UNFARE TAX BREAK BEING ALLOWED MAJOR OIL COMPANIE

POMID: 03110518

DATE: 03/17/89

TIME: 11:05:18

LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES  
 BOYER  
 CATO  
 COTTEN  
 DAVIS, C.  
 DONLEY  
 FOSTER  
 GOLL  
 GRUSSENDORF  
 HOFFMAN  
 JACKO  
 LARSON  
 MACLEAN  
 MENARD  
 NAVARRE  
 PHILLIPS  
 SHARP  
 SPOHNHOLZ  
 TAYLOR  
 WALLIS

BOUCHER  
 BROWN  
 COLLINS  
 DAVIDSON  
 DAVIS, H.  
 ELLIS  
 FURNACE  
 GRUENBERG  
 HANLEY  
 HUDSON  
 KOPONEN  
 LEMAN  
 MARTIN  
 MILLER  
 PETTYJOHN  
 RIEGER  
 SHULTZ  
 SHACKHAMMER  
 ULMER  
 ZAWACKI

ADAMS  
 BINKLEY  
 COGHILL  
 DUNCAN  
 ELIASON  
 FAIKS  
 FISCHER  
 FRANK  
 HALFORD  
 JONES  
 KELLY  
 KERTULA  
 PEARCE  
 POURCHOT  
 RODEY  
 STURGULEWSKI  
 SZYMAHSKI  
 UEHLING  
 ZHAROFF

MAR 20 1989

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: PATRICK & ANGELA PAQUET  
 TITLE:  
 ADDRESS: 1366 FICKES LOOP, #A5  
 CITY: NORTH POLE ZIP: 99705  
 PHONE: 488-1490  
 BILL NO:  
 SUBJECT: ELF  
 MESSAGE: WE WANT TO SEE THE ELF REPEALED. FOM/MJO

PO#ID: 07145947  
 DATE: 03/17/89  
 TIME: 14:59:47  
 LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES SENATORS

BOYER	FRANK
DAVIS, M.	COGHILL
KOPONEN	
MILLER	
SHARP	

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: MARILYN HENRY  
 TITLE:  
 ADDRESS: 2247 VANDERBELT CIRCLE  
 CITY: ANCHORAGE, ALASKA ZIP: 99508  
 PHONE: 344-1221  
 BILL NO: SB 8  
 SUBJECT: ALASKA WOMEN'S COMMISSION  
 MESSAGE: I OPPOSE THE PASSAGE OF SB 8. I'M NOT AGAINST A WOMEN'S COMMISSION,  
 BUT THIS ONE DOES NOT REPRESENT ME. FAMILY ISSUES ARE IMPORTANT TO ME.

PO#ID: 03145756  
 DATE: 03/17/89  
 TIME: 14:57:56  
 LIONAME: ANCHORAGE LIO

MAR 20 1989

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

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BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAH
DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MEHARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYHANSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: TIM BECK

TITLE:

ADDRESS: PO BOX 60736

CITY: FAIRBANKS

PHONE: 488-3320

ZIP: 99706

BILL NO: HD 118

SUBJECT: OIL & GAS PROPERTIES PRODUCTION TAX -ELF

MESSAGE: PLEASE SUPPORT HD 118 AND SB 97 - GIVE ALASKA IT'S FAIR SHARE.

EOM/MJO

POMID: 07081100

DATE: 03/17/89

TIME: 08:11:00

LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES SENATORS

LARSON  
HOFFMAN  
SWACKHAMMER  
WALLIS  
KOPONEN  
ULMER  
BROWN  
SHULTZ  
RIEGER  
PHILLIPS  
BARNES

COGHILL  
FRANK  
PEARCE  
ADAMS  
FISCHER  
HALFORD  
KELLY

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: JIM CASSIDY

TITLE:

ADDRESS: POB 376

CITY: PALMER

PHONE: 376-2433

ZIP: 99645

BILL NO: HD 118

SUBJECT: OIL & GAS PROPERTIES PRODUCTION TAX -ELF

MESSAGE: & SB 97: I AM IN FAVOR OF THESE BJLLS.

POMID: 14091704

DATE: 03/17/89

TIME: 09:17:04

LIONAME: MAT-SU LYO

COPIES: REPRESENTATIVES SENATORS

LARSON  
MEHARD  
HOFFMAN  
SWACKHAMMER  
WALLIS  
KOPONEN  
ULMER

BINKLEY  
UEHLING  
DUNCAN  
FISCHER  
FRANK  
PEARCE  
ZHAROFF  
ELIASON  
HALFORD  
STURGULEWSKI  
ADAMS  
KELLY

MAR 20 1989

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: CHARLENE HUTTON

TITLE:

ADDRESS: P.O. BOX 103233

CITY: ANCHORAGE, ALASKA

PHONE: 563-3048

ZIP: 99510

BILL NO: HB 34

SUBJECT: DURATIONAL RESIDENCY REQUIREMENTS

MESSAGE: I'M REQUESTING YOU TO VOTE IN FAVOR OF HB 34. THE LONGEVITY PROGRAM IS A GIVE - AWAY PROGRAM WHICH LENDS ITSELF TO ABUSE. THE TWO YEAR RESIDENCY SHOULD LESSEN THIS ABUSE AND KEEP THE REVENUES IN ALASKA.

POMID: 03095038

DATE: 03/17/89

TIME: 09:50:38

LIONAME: ANCHORAGE LIO

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DONLEY	ELLIS
FOSTER	FURNACE
GOLL	GRUENBERG
GRUSSENDORF	HANLEY
HOFFMAN	HUDSON
JACKO	KOPONEN
LARSON	LEMAN
MACLEAN	MARTIN
MENARD	MILLER
NAVA:RE	PETTYJOHN
PHILLIPS	RIEGER
SHARP	SHULTZ
SPOHNHOLZ	SWACKHAMMER
TAYLOR	ULHER
WALLIS	ZAWACKI

ADAMS
BINKLEY
COGHILL
DUNCAN
ELIASON
FAIKS
FISCHER
FRANK
HALFORD
JONES
KELLY
KERTTULA
PEARCE
POURCHOT
RODEY
STURGULEWSKI
SZYMAWSKI
UEHLING
ZHAROFF

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: MIKE BENNETT

TITLE:

ADDRESS: BOX 136

CITY: FAIRBANKS

PHONE: 488-9090

ZIP: 99707

BILL NO:

SUBJECT: ELF

MESSAGE: THE COST OF GOVERNMENT BEARS NO RELATIONSHIP TO THE VALUE OF OUR OIL. IF PRODUCTION OF OIL IN ALASKA DOUBLES SHOULD WE CUT OIL SEVERANCE TAXES IN HALF? I THINK NOT. WE CAN PUT ADDITIONAL MONEY IN THE PERMANENT FUND. YOU SHOULD NOT ONLY MODIFY THE ELF, YOU SHOULD REPEAL IT.

POMID: 07075411

DATE: 03/17/89

TIME: 07:54:11

LIONAME: FAIRBANKS LIO

COPIES: SENATORS

ADAMS
BINKLEY
COGHILL
DUNCAN
ELIASON
FAIKS
FISCHER
FRANK
HALFORD
JONES
KELLY
KERTTULA
PEARCE
POURCHOT
RODEY
STURGULEWSKI
SZYMAWSKI
UEHLING
ZHAROFF

MAR 20 1989

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: MILDRED PRYOR

TITLE:

ADDRESS: BOX 916

CITY: KENAI

PHONE: 262-2451

BILL NO: HB 215

SUBJECT: SCHOOL TAX

MESSAGE: I OPPOSE THIS BILL BECAUSE OF THE FACT THAT WE HAVE OVER A MILLION DOLLAR SCHOOL ON THE PENINSULA NOW WITHOUT STUDENTS TO OCCUPY IT. THE SCHOOL DISTRICT SHOULD LOOK TO CUTTING ADMINISTRATIVE COSTS AND ALLOCATE THE MONEY TO PROVIDE NECESSARY REPAIRS TO EXISTING SCHOOLS.

ZIP: 99611

POMID: 13095726

DATE: 03/17/89

TIME: 09:57:26

LIONAME: SOLDANA L

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

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BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
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DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMAWSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: MICHEAL DORAN

TITLE:

ADDRESS: P.O. BOX 10206

CITY: FAIRBANKS

PHONE: 457-7681

BILL NO:

SUBJECT: ELF

MESSAGE: I WOULD LIKE THE ELF REPEALED. I THINK THE OIL COMPANIES HAVE HAD A TAX BREAK LONG ENOUGH. I THINK WE SHOULD ADD A 5 PER CENT TAX WHICH WOULD NOT BE LEVIED IF THEY BUILT THE MODULES IN ALASKA. IT IS TIME WE PUT ALASKANS BACK TO WORK.

ZIP: 99710

POMID: 07100256

DATE: 03/17/89

TIME: 10:02:56

LIONAME: FAIRBANKS LIO

MAR 20 1989

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

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COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMAWSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: MARLIN MASON  
 TITLE: SECRETARY, SKAGWAY PTA  
 ADDRESS: SKAGWAY  
 CITY: SKAGWAY  
 PHONE: N/R-  
 ZIP: 99840  
 BILL NO:  
 SUBJECT: EDUCATIONAL FUNDING  
 MESSAGE: SKAGWAY PTA SUPPORTS FULL FUNDING OF THE EDUCATIONAL INSTRUCTION UNIT  
 ANYTHING LESS WILL SERIOUSLY JEOPARDIZE THE SKAGWAY CITY SCHOOL DISTRICT  
 INSTRUCTIONAL PROGRAM.

POMID: 00103239  
 DATE: 03/17/89  
 TIME: 10:32:39  
 LIONAME: JUNEAU LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	DINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
HAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMAWSKI
SPONNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: JAY QUAKENBUSH  
 TITLE:  
 ADDRESS: PO BOX 82391  
 CITY: FAIRBANKS  
 PHONE: 479-3210  
 ZIP: 99708  
 BILL NO: HB 116  
 SUBJECT: OIL & GAS PROPERTIES PRODUCTION TAX -ELF  
 MESSAGE: I DO NOT FEEL THAT ALASKA IS BEING GIVEN A EQUITABLE SHARE OF  
 THEIR RESOURCES. I FEEL THAT THROUGH INEXPERIENCE WE WERE TAKEN ADVANTAGE  
 OF DURING NEGOTIATIONS. I ALSO FEEL THAT ALASKANS SHOULD BE HIRED FOR THE  
 OIL RELATED JOBS AND I STRONGLY HOPE THAT HB 116 CAN REMEDY THE ALASKAN'S  
 WRONG DOING. EOM/MJO

POMID: 07104401  
 DATE: 03/17/89  
 TIME: 10:44:01  
 LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES SENATORS

BOYER	FRANK
DAVIS, M.	COGHILL
KOPONEN	
MILLER	
SHARP	
LARSON	
HOFFMAN	
SWACKHAMMER	
WALLIS	
ULMER	
BROWN	
SHULTZ	
RIEGER	
PHILLIPS	
BARNES	

MAR 20 1989

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: MRS. W.H. STEPHAN

TITLE:

ADDRESS: P.O. BOX 112114

ZIP: 99511

CITY: ANCHORAGE

PHONE: N/R-

BILL NO:

SUBJECT: TAXES

MESSAGE: I KNOW ALOT OF YOUR FRIENDS HAVE SCHOOL AND GOVERNMENT JOBS AND WE APPRECIATE THEM BUT WHY, DURING HARD TIMES CAN'T WAGES AND BENEFITS BE CUT AS NECESSARY. NO NEW TAXES NEEDED. CUT OUT GOVERNMENT'S OLD AND NEW PROGRAMS THAT AREN'T NEEDED AND DON'T IMPLEMENT ANY OTHERS INCLUDING ALASKA WOMEN'S COMMISSION.

POMID: 03105237

DATE: 03/17/89

TIME: 10:52:37

LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMANSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: DALE BRIMMER

TITLE:

ADDRESS: 2451 ALSTON ROAD

ZIP: 99709

CITY: FAIRBANKS

PHONE: 479-8297

BILL NO:

SUBJECT: ~~ELF~~

MESSAGE: REPEAL THE ELF.

EOM/MJO

POMID: 07104933

DATE: 03/17/89

TIME: 10:49:33

LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMANSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

MAR 20 1989



FAIRBANKS MACHINE & STEEL, INC.  
2250 VAN LOMEN ROAD, FAIRBANKS, ALASKA 99701

March 22, 1989

**Ms. Bettye Fahrnkamm**  
Sixteenth Alaska State Legislature  
P.O. Box V  
Juneau, Alaska 99801

Dear Ms. Fahrnkamm,

Please find with the L&L

in the field. In the field, we are...  
field of Bettye. This...  
sixty jobs...  
is on the... I...  
100 - 100 people...

Let's see... field developments... discuss...

Sincerely,

Dennis Hester  
President

DW/dkt

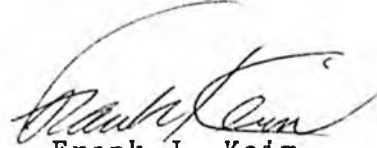
March 15, 1989

Dear Senator Fahrenkamp:

I must say, I'm totally bewildered by the way many of your membership have allowed yourselves to be so completely bamboozled, hoodwinked and hornswoggled by the oil interests in our state. Now, I've been in Alaska since 1961, so I've had a long enough time to watch what has been happening to you. The way my wife and I see it, there should be no E.L.F. at all and it should be repealed ASAP! Meanwhile, since this does not seem possible at this point, the E.L.F. should be amended according to the two bills, H.B. 118 and S.B.97 which both modify the application of the E.L.F. formula.

Please support both of the above bills. Thank you, and please let me know what happens.

Sincerely,



Frank J. Keim  
Box 223  
Emmonak, Ak  
99581

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: JOY PRICE

TITLE:

ADDRESS: PO BOX 1948

CITY: FAIRBANKS

ZIP: 99707

PHONE: 451-0464

BILL NO: HB 118

SUBJECT: OIL & GAS PROPERTIES PRODUCTION TAX -ELF

MESSAGE: THIS IS IN ADDITION TO MY LETTER OF 2/8/89 IN SUPPORT OF HB 118. WE FEEL HB 118 IS A BEGINNING TO A WAY TO PROVIDE MORE OPTIONS FOR OUR CHILDREN AND ALL OTHER INDIVIDUALS IN ALASKA. AGAIN, I BELIEVE WE SHOULD NOT WASTE OUR VERY VALUABLE RESOURCES. AFTER ALL OUR CHILDREN AND OUR PEOPLE ARE OUR VERY VALUABLE RESOURCE. EOH/MJO

PONID: 07082259

DATE: 02/23/89

TIME: 08:22:59

LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES SENATORS

BOYER  
DAVIS, M.  
KOPONEN  
MILLER  
SHARP  
MENARD  
DAVIDSON  
JACKO  
FOSTER  
NAVARRE  
FURNACE  
HUDSON

FRANK  
COGHILL

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: LINDA SMITH  
TITLE:  
ADDRESS: 2075 SARA LYNN ROAD  
CITY: FAIRBANKS ZIP: 99712  
PHONE: 456-2001  
BILL NO: SB 97  
SUBJECT: OIL & GAS PROPERTIES PRODUCTION TAX  
MESSAGE: SB 97 AND HB 118: REPEAL THE ELF!

EOM/MJO

POMID: 07082652  
DATE: 03/16/89  
TIME: 08:26:52  
LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES SENATORS

BOYER	FRANK
DAVIS, M.	COGHILL
KOPONEN	PEARCE
MILLER	ADAMS
SHARP	FISCHER
LARSON	HALFORD
HOFFMAN	KELLY
SWACKHAMMER	
WALLIS	
ULMER	
BROWN	
SHULTZ	
RIEGER	
PHILLIPS	
BARNES	

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: LOUANNIE MAXWELL  
TITLE:  
ADDRESS: 3547 IDA LANE  
CITY: FAIRBANKS ZIP: 99709  
PHONE: 479-3201  
BILL NO:  
SUBJECT: ELF  
MESSAGE: I FULLY SUPPORT REPEAL OF THE ELF. I WOULD LIKE TO SEE HB 118 ENACTED OVER SB 97 AS I UNDERSTAND THE INFORMATION IS MORE UP-TO-DATE AND THE LANGUAGE STRONGER. WE OWN THE OIL -- LET'S NOT GIVE IT AWAY. EOM/MJO

POMID: 07100001  
DATE: 03/16/89  
TIME: 10:00:01  
LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES SENATORS

BOYER	FRANK
DAVIS, M.	COGHILL
KOPONEN	PEARCE
MILLER	ADAMS
SHARP	FISCHER
LARSON	HALFORD
HOFFMAN	KELLY
SWACKHAMMER	
WALLIS	
ULMER	
BROWN	
SHULTZ	
RIEGER	
PHILLIPS	
BARNES	

MAR 17 1989

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHREINKAMP

NAME: DAVID R. KLEIN  
TITLE:  
ADDRESS: 3547 IDA LAKE  
CITY: FAIRBANKS ZIP: 99709  
PHONE: 479-3201  
BILL NO:  
SUBJECT: ELF LEGISLATION  
MESSAGE: THE ELF UNFAIRLY DIVERTS ALASKAN'S SHARE OF INCOME FROM EXISTING OIL FIELDS TO EXCESS PROFITS FOR THE OIL INDUSTRY. PLEASE REPEAL THE ELF.

POMID: 07102254  
DATE: 03/16/89  
TIME: 10:22:54  
LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES SENATORS

BOYER	COGHILL
DAVIS, M.	FRANK
KOPONEN	PEARCE
MILLER	ADAMS
SHARP	FISCHER
LARSON	HALFORD
HOFFMAN	KELLY
SWACKHAMMER	
WALLIS	
ULMER	
BROWN	
SHULTZ	
RIEGER	
PHILLIPS	
BARNES	

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHREINKAMP

NAME: MARTIN J GAMBLE  
TITLE:  
ADDRESS: 436 LATHROP  
CITY: FAIRBANKS ZIP: 99701  
PHONE: N/R-  
BILL NO: SB 97  
SUBJECT: ELF  
MESSAGE: I BELIEVE THE OIL COMPANIES SHOULD PAY THEIR FAIR SHARE OF TAXES. READJUST ELF. THIS WILL HAVE LITTLE IMPACT ON JOBS SINCE MOST OIL WORKERS ARE FROM OUT OF STATE. BASED ON MY EXPERIENCE AT PRUDHOE THE MAJORITY OF WORKERS ARE NOT BASED IN STATE, THEREFORE THE STATES ECONOMY WOULD NOT BE TOO ADVERSLY IMPACTED. THANK YOU.

POMID: 04105603  
DATE: 03/16/89  
TIME: 10:56:03  
LIONAME: BARROW INFO OFFICE

COPIES: SENATORS

FRANK  
PEARCE  
ADAMS  
FISCHER  
HALFORD  
KELLY

MAR 17 1989

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: RICK MITCHELL

TITLE:

ADDRESS: BOX 354

CITY: HEALY

ZIP: 99743

PHONE: 683-2306

BILL NO: HB 119

SUBJECT: CHANGE AREA COST DIFFERENTIAL

MESSAGE: I AM OPPOSED TO THE PASSAGE OF THIS BILL. I SUGGEST FURTHER STUDY BY THE COMMITTEE BECAUSE I FEEL THAT THE INFORMATION THEY HAVE IS BASED ON OLD INFORMATION AND UNRELIABLE INFORMATION.

POMID: 07130006

DATE: 03/16/89

TIME: 13:00:06

LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER
BOYER	BROWN
CATO	COLLINS
COTTEN	DAVIDSON
DAVIS, C.	DAVIS, M.
DONLEY	ELLIS
FOSTER	FURNACE
GOLL	GRUENBERG
GRUSSENDORF	HANLEY
HOFFMAN	HUDSON
JACKO	KOPONEN
LARSON	LEMAN
MACLEAN	MARTIN
MENARD	MILLER
NAVARRE	PETTYJOHN
PHILLIPS	RIEGER
SHARP	SHULTZ
SPOHNHOLZ	SWACKHAMMER
TAYLOR	ULMER
WALLIS	ZAWACKI

ADAMS
BINKLEY
COGHILL
DUNCAN
ELIASON
FAIKS
FISCHER
FRANK
HALFORD
JONES
KELLY
KERTTULA
PEARCE
POURCHOT
RODEY
STURGULEWSKI
SZYMANSKI
UEHLING
ZHAROFF

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: DIANNE HESSER

TITLE:

ADDRESS: 5259 HEALY RD.

CITY: FAIRBANKS

ZIP: 99712

PHONE: 488-3890

BILL NO:

SUBJECT: ELF

MESSAGE: A SENATE VOTE THIS SESSION ON ELF IS ESSENTIAL IF SENATORS ARE TO RETAIN CREDIBILITY WITH CONSTITUENTS VS. OIL COMPANY INTERESTS. I URGE YOU TO SUPPORT A FLOOR VOTE AND ENCOURAGE YOU TO VOTE TO REPEAL OR CHANGE THE ELF. WE DESERVE MAXIMUM REASONABLE RETURN ON OUR RESOURCES.

POMID: 07130707

DATE: 03/16/89

TIME: 13:07:07

LIONAME: FAIRBANKS LIO

COPIES: SENATORS

ADAMS
BINKLEY
COGHILL
DUNCAN
ELIASON
FAIKS
FISCHER
FRANK
HALFORD
JONES
KELLY
KERTTULA
PEARCE
POURCHOT
RODEY
STURGULEWSKI
SZYMANSKI
UEHLING
ZHAROFF

MAR 17 1989

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: GRACE ANN HEACOCK  
TITLE:  
ADDRESS: 3012 RIVERVIEW DRIVE  
CITY: FAIRBANKS ZIP: 99709  
PHONE: 474-0700  
BILL NO: HB 118  
SUBJECT: OIL & GAS PROPERTIES PRODUCTION TAX -ELF  
MESSAGE: PLEASE SUPPORT HB 118 MODIFYING THE ELF SO THAT IT WOULD BE  
FAIRER FOR ALASKANS AND STILL PROTECT THE MARGINAL OIL FIELDS.  
EOM/MJO

POMID: 07120207  
DATE: 03/16/89  
TIME: 12:02:07  
LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES SENATORS

BOYER  
DAVIS, M.  
KOPONEN  
MILLER  
SHARP

FRANK  
COGHILL

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: EDMUND BROSNAN  
 TITLE:  
 ADDRESS: 1122 SUNSET DR.  
 CITY: FAIRBANKS  
 PHONE: 474-9535

ZIP: 99709

BILL NO:

SUBJECT: ELF

MESSAGE: I SUPPORT HB 118 TO REPEAL ELF BECAUSE WE ARE NOT GETTING ALASKANS WORKING ON THE NORTH SLOPE. IF YOU WANT A JOB ON THE NORTH SLOPE RIGHT NOW, YOU NEED TO APPLY FROM THE LOWER 48.

EOM-FZ-C

POMID: 07175032  
 DATE: 03/14/89  
 TIME: 17:50:32  
 LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MEHARD	MILLER	POURCHOT
NAVARRÉ	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMANSKI
SPOHNHOLZ	SHACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: JIM CARPENTER  
 TITLE:  
 ADDRESS: 1613 MARKEY  
 CITY: FAIRBANKS  
 PHONE: 474-0534

ZIP: 99709

BILL NO:

SUBJECT: ELF

MESSAGE: I SUPPORT HB 118, REPEAL OF THE ELF.

EOM-FZ

POMID: 07175233  
 DATE: 03/14/89  
 TIME: 17:52:33  
 LIONAME: FAIRBANKS LIO

MAR 16 1989

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BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MEHARD	MILLER	POURCHOT
NAVARRÉ	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMANSKI
SPOHNHOLZ	SHACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: GEORGE BERRY  
 TITLE:  
 ADDRESS: P.O. BOX 01590  
 CITY: COLLEGE  
 PHONE: N/R-

ZIP: 99708

BILL NO:  
 SUBJECT: ELF  
 MESSAGE: I WHOLEHEARTEDLY SUPPORT CHANGES TO THE EXISTING ELF FORMULA TO INCREASE TAXES ON THE PRUDHOE AND KAPARUK FIELDS. THE LARGEST FIELDS IN NORTH AMERICA DO NOT WARRANT THE TAX REDUCTIONS AT THIS TIME, ESPECIALLY IN LIGHT OF THE "POOR" ALASKA HIRE STANDARDS BY MOST ALL OIL FIELD CONTRACTORS WORKING FOR THE MAJOR OIL COMPANIES.

EOM-FZ-C

POMID: 07175420  
 DATE: 03/14/89  
 TIME: 17:54:20  
 LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, H.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYJANSKI
SPOHNHOLZ	SHACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAHACKI	

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: DAVID KISSINGER  
 TITLE:  
 ADDRESS: 204 STEELHEAD  
 CITY: FAIRBANKS  
 PHONE: N/R-

ZIP: 99709

BILL NO:  
 SUBJECT: ELF  
 MESSAGE: I SUPPORT HB 118 FOR THE REPEAL OF THE ELF.  
 EOM-FZ-C

POMID: 07175936  
 DATE: 03/14/89  
 TIME: 17:59:36  
 LIONAME: FAIRBANKS LIO

MAR 16 1989

COPIES: REPRESENTATIVES SENATORS

BOYER	FRANK
DAVIS, H.	COGHILL
KOPONEN	KERTTULA
MILLER	ELIASON
SHARP	HALFORD
MENARD	STURGULEWSKI
DAVIDSON	ZHAROFF
JACKO	POURCHOT
FOSTER	FAIKS
NAVARRE	ADAMS
FURNACE	KELLY
HUDSON	UEHLING
SPOHNHOLZ	
BOUCHER	
MACLEAN	
DONLEY	
HANLEY	
ZAHACKI	

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: MRS. DEDZA KOWALCZYK  
 TITLE:  
 ADDRESS: 3728 PORTAGE BLVD.  
 CITY: JUNEAU ZIP: 99801  
 PHONE: 789-2882  
 BILL NO: SB 8  
 SUBJECT: ALASKA WOMEN'S COMMISSION  
 MESSAGE: KILL THE BILL OR HAVE IT INCLUDE A BROADER REPRESENTATION OF WOMEN'S VIEWS.

POHID: 00085620  
 DATE: 03/22/89  
 TIME: 08:56:20  
 LIONAME: JUNEAU LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPOHEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMAWSKI
SPOHNHOLZ	SHACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: GEORGE JOHNSON  
 TITLE:  
 ADDRESS: BOX 81093  
 CITY: FAIRBANKS ZIP: 99708  
 PHONE: 479-5032  
 BILL NO:  
 SUBJECT: ELF  
 MESSAGE: ALASKA TRADESMEN HAVE BEEN LOCKED OUT OF WORK ON ALL SEALIFTS SINCE 1986. ELF HASN'T CREATED ANY WORK FOR ME. REPEAL THE ELF.

POHID: 07091513  
 DATE: 03/22/89  
 TIME: 09:15:13  
 LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPOHEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMAWSKI
SPOHNHOLZ	SHACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: JOLAINE MCCLURE

TITLE:

ADDRESS: 1625 DOLINA

CITY: ANCHORAGE

ZIP: 99508

PHONE: 337-3558

BILL NO: SB 73

SUBJECT: RETIREMENT INCENTIVE PROGRAM/PERS &amp; TRS

MESSAGE: PLEASE CONSIDER MOVING THE WINDOW PERIOD TO 1991 SINCE THE PREVIOUS PROGRAM ENDED IN 1987.

POMID: 03085517

DATE: 03/22/89

TIME: 08:55:17

LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER
BOYER	BROWN
CATO	COLLINS
COTTEN	DAVIDSON
DAVIS, C.	DAVIS, M.
DONLEY	ELLIS
FOSTER	FURNACE
GOLL	GRUENBERG
GRUSSENDORF	HANLEY
HOFFMAN	HUDSON
JACKO	KOPONEN
LARSON	LEMAN
MACLEAN	MARTIN
MENARD	MILLER
NAVARRE	PETTYJOHN
PHILLIPS	RIEGER
SHARP	SHULTZ
SPOHNHOLZ	SHACKHAMMER
TAYLOR	ULMER
WALLIS	ZAWACKI

ADAMS
BINKLEY
COGHILL
DUNCAN
ELIASON
FAIKS
FISCHER
FRANK
HALFORD
JONES
KELLY
KERTTULA
PEARCE
POURCHOT
RODEY
STURGULEWSKI
SZYMANSKI
UEHLING
ZHAROFF

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: NEWELL ROSE

TITLE:

ADDRESS: P.O. BOX 58164

CITY: FAIRBANKS

ZIP: 99711

PHONE: 408-2846

BILL NO:

SUBJECT:

MESSAGE: I WANT YOU TO REPEAL THE ELF.  
EOM-FZ

POMID: 07085659

DATE: 03/22/89

TIME: 08:56:59

LIONAME: FAIRBANKS LIO

COPIES: SENATORS

ADAMS
BINKLEY
COGHILL
DUNCAN
ELIASON
FAIKS
FISCHER
FRANK
HALFORD
JONES
KELLY
KERTTULA
PEARCE
POURCHOT
RODEY
STURGULEWSKI
SZYMANSKI
UEHLING
ZHAROFF

246 Charles St.  
Fairbanks, AK 99701  
March 22, 1989

Betty Fahrenkamp  
P.O. Box V  
Juneau, Alaska 99811

MAR 28 1989

Dear Betty Fahrenkamp,

It's in our states best interest to  
maximize the revenue that we can  
collect from the oil companies. They  
should be treated no better or worse than  
they are treated in Texas.

I urge you to vote soon to reform  
ELF as proposed by Governor Cooper.

Sincerely,

Arlene Spurgin

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: STANLEY SOLSKI  
TITLE:  
ADDRESS: 406 CRAIG AVE.  
CITY: FAIRBANKS  
PHONE: 456-5806

ZIP: 99701

BILL NO:  
SUBJECT: ELF BILL

MESSAGE: I WOULD LIKE YOU TO PASS THE ELF BILL. I WOULD ALSO LIKE TO SEE THE COMPANIES PAY THEIR FAIR SHARE OF TAXES BECAUSE THEY ARE NOT GOING TO GO ANYWHERE, THEY HAVE THEIR WELLS HERE AND THEIR JUST PUMPING OUR OIL AND GETTING OFF BASICALLY SCOTT FREE. I THINK YOU SHOULD VERY SERIOUSLY CONSIDER VOTING TO PASS THIS BILL, BECAUSE IF YOU VOTE IT DOWN - I VOTE AGAINST ANYONE WHO VOTES NO COME ELECTION TIME. EOM/CLS

POMID: 07175550  
DATE: 03/23/89  
TIME: 17:55:50

LIONAME: FAIRBANKS LIO

COPIES: SENATORS

ADAMS  
BINKLEY  
COGHILL  
DUNCAN  
ELIASON  
FAIKS  
FISCHER  
FRANK  
HALFORD  
JONES  
KELLY  
KERTTULA  
PEARCE  
POURCHOT  
RODEY  
STURGULEWSKI  
SZYMANSKI  
UEHLING  
ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: DOUG EMERY  
TITLE:  
ADDRESS: 570 RANCE COURT  
CITY: KENAI  
PHONE: 283-5182

ZIP: 99611

BILL NO: SB 184

SUBJECT: REDOUBT BAY CRITICAL HABITAT AREA

MESSAGE: I SUPPORT SB 184 AS WRITTEN. I SUPPORT IT'S EXPEDITIOUS PASSAGE. THANK YOU.

POMID: 13082429  
DATE: 03/24/89  
TIME: 08:24:29

LIONAME: SOLDOTNA LIO

COPIES: REPRESENTATIVES SENATORS

NAVARRE  
SWACKHAMMER  
WALLIS  
FISCHER  
BINKLEY  
KERTTULA  
ELIASON  
FRANK  
HALFORD  
STURGULEWSKI  
ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: JACKIE CHILDS  
TITLE:  
ADDRESS: 7173 KENDALL  
CITY: NORTH POLE  
PHONE: 480-1422  
BILL NO: HB 118

ZIP: 99705

SUBJECT: OIL & GAS PROPERTIES PRODUCTION TAX-ELF  
MESSAGE: WE WANT ELF CHANGED TO HELP THE MARGINAL FIELDS, BUT WE WANT OIL COMPANIES TO PAY PROPER TAXES ON THE LARGE FIELDS. THE OIL COMPANIES ARE NOT HELPING ALASKANS WORK. MY HUSBAND HAS BEEN OUT OF WORK FOR 2 1/2 YEARS BECAUSE THEY DO NOT SUPPORT ALASKAN UNIONS.

EDM-FZ

POMID: 07114515  
DATE: 03/24/89  
TIME: 11:45:15  
LIONAME: FAIRBANKS LIO

COPIES: SENATORS

ADAMS  
BINKLEY  
COGHILL  
DUNCAN  
ELIASON  
FAIKS  
FISCHER  
FRANK  
HALFORD  
JONES  
KELLY  
KERTTULA  
PEARCE  
POURCHOT  
RODEY  
STURGULEWSKI  
SZYMANSKI  
UEHLING  
ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: ROD MCCOY  
TITLE:  
ADDRESS: 7749 OLD HARBOR RD.  
CITY: ANCHORAGE  
PHONE: 337-6138  
BILL NO:

ZIP: 99504

SUBJECT: MARIJUANA  
MESSAGE: MR. POURCHOT'S TESTIMONY ON SOCIETY'S ATTITUDES AND PROHIBITIONS ON DRUGS WAS WISE AND DEMONSTRATED INTELLIGENCE AND COURAGE FOR OUR SENATORS. I TOO AM AMUSED AND FRUSTRATED BY OUR SOCIETY'S SEEMING REFUSAL TO RECOGNIZE THE TOXIC NATURE OF OUR TRADITIONAL DRUGS. HIS POSITIVE AND THOUGHTFUL PRESENCE IN OUR SENATE REAFFIRMS MY BELIEF IN DEMOCRACY.

POMID: 03115913  
DATE: 03/24/89  
TIME: 11:59:13  
LIONAME: ANCHORAGE LIO

COPIES: SENATORS

ADAMS  
BINKLEY  
COGHILL  
DUNCAN  
ELIASON  
FAIKS  
FISCHER  
FRANK  
HALFORD  
JONES  
KELLY  
KERTTULA  
PEARCE  
POURCHOT  
RODEY  
STURGULEWSKI  
SZYMANSKI  
UEHLING  
ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHPENKAMP

NAME: TERRY HORN  
TITLE:  
ADDRESS: 815 MCGRATH, SPACE: 5V  
CITY: FAIRBANKS  
PHONE: 457-7728  
BILL NO:  
SUBJECT: ELF  
MESSAGE: REPEAL THE ELF AND IF YOU DON'T WANT TO VOTE FOR THE ALASKA PEOPLE  
THEN I WANT A REPLY ON WHY YOU ARE VOTING FOR THE OIL COMPANIES.  
EOM/MJO

ZIP: 99712

POMID: 07111157  
DATE: 03/23/89  
TIME: 11:11:57  
LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES    REPRESENTATIVES    SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCH
GOLL	GRUENBERG	
GRUSSENDORF	HANLEY	
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
NAVARRÉ	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMANSKI
SPOHNHOLZ	SHACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZANACKI	

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: LESLIE HELMS

TITLE:

ADDRESS: 1634 MADISON DRIVE

CITY: FAIRBANKS

PHONE: 479-5919

ZIP: 99709

BILL NO:

SUBJECT: ELF

MESSAGE: I URGE MODIFICATION OF THE ELF. GIVE ALASKANS THEIR FAIR SHARE.  
EOM-FZ

POMID: 07161459

DATE: 03/29/89

TIME: 16:14:59

LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
NAVARRÉ	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMANSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: ESTA F. CLEMONS

TITLE:

ADDRESS: RT 1 BOX 94-A

CITY: KENAI, ALASKA

PHONE: 263-5771

ZIP: 99611

BILL NO:

SUBJECT: EXXON-VALDEZ

MESSAGE: I SAW SEC. OF INTERIOR LUJUN ON T.V. YESTERDAY. HE SAID BECAUSE OF THE OIL SPILL FROM EXXON THEY WOULD BE SURE AND DO AN EIS (ENVIRONMENTAL IMPACT STATEMENT) ON EVERY STEP OF THE PROCESS FOR SENSITIVE AREAS LIKE BRISTOL BAY AND ANWR. IT SEEMS TO ME THAT THE EXXON-VALDEZ HAS JUST MADE THE MOST COMPLETE AND EXPENSIVE EIS POSSIBLE! FURTHER EXPENSIVE STUDIES ARE REDUNDANT. CEASE ALL, I REPEAT ALL OIL ACTIVITY AND URGE CONCENTRATION ON ALTERNATIVE ENERGY SOURCES.

POMID: 13164132

DATE: 03/29/89

TIME: 16:41:32

LIONAME: SOLDOTNA LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
NAVARRÉ	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMANSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

MAR 31 1989

Dear Senator Jaramila

I'm writing in concern of our environment due to the grounding of the Valdez Exxon. The oil companies are clearly lying to the Alaskan people. They are not our friends, they make huge profits and hire outside labor. I read in the News Miner that you support the oil companies in congress regarding E.L.F. I must say I don't understand your position at all. The oil companies will continue to take our Alaskan oil, it's a precious commodity, it's only going to last a few years. It's up to you and the people to capitalize on our short term blessing and invest tax proceeds wisely for long term income which will take Alaskans into the future long after the oil companies are gone.

With the present E.L.F. the Alaskan people will end up paying the cost of clean up from Valdez Exxon and we will never be able to pay nature back from this tragic tragedy.

Sincerely  
Wally A. Heider

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

MAR 31 1989

Dear Senator Jarambas

I'm writing in concern of our environment due to the grounding of the Valdez Exxon. The oil companies are clearly lying to the Alaskan people. They are not our friends, they make huge profits and hire outside labor. I read in the News Mirror that you support the oil companies in congress regarding E.L.F. I must say I don't understand your position at all. The oil companies will continue to take our Alaskan oil, it's a precious commodity, it's only going to last a few years. It's up to you and the people to capitalize on our short term blessing and invest tax proceeds wisely for long term income which will take Alaskans into the future long after the oil companies are gone.

With the present E.L.F. the Alaskan people will end up paying the cost of clean up from Valdez Exxon and we will never be able to pay nature back from this ~~tragic~~ tragedy.

Sincerely  
Willy A. Heide

Wiley HENDRICK  
PO box 82206  
FAIRBANKS ALASKA  
99708



Senator Bette FARANKAMP  
Box V  
JUNEAU ALASKA  
99811

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: JOHN JODWALIS  
TITLE:  
ADDRESS: P.O. BOX 80041  
CITY: FAIRBANKS  
PHONE: 455-6645

ZIP: 99708

BILL NO:  
SUBJECT: ELF

MESSAGE: IN LIGHT OF THE RECENT TRAGEDY IN PRINCE WILLIAM SOUND, I ASK THAT YOU  
WORK TO AMEND THE ELF IMMEDIATELY! IT WON'T EVEN COME CLOSE TO PAYING FOR THE  
BLUNDER. THE OIL COMPANIES OWE US. NOT THE OTHER WAY AROUND. THANK YOU.  
EOM/CLS

POMID: 07140153  
DATE: 03/30/89  
TIME: 14:01:53  
LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES SENATORS

BOYER  
DAVIS, M.  
KOPONEN  
MILLER  
SHARP

COGHILL  
FRANK

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: FLOYD BULLEN

TITLE:

ADDRESS: 925 SMALLWOOD TRAIL

CITY: FAIRBANKS

ZIP: 99712

PHONE: 488-9170

BILL NO: HB 118

SUBJECT: OIL & GAS PROPERTIES PRODUCTION TAX-ELF

MESSAGE: I THINK THAT THERE IS NO REASON IN THE WORLD WHY WE (STATE OF ALASKA) SHOULD GIVE THE OIL COMPANIES A TAX BREAK. WE ARE THE ONLY PEOPLE IN THE WORLD WHO HAVE AN ELF. BY ALASKA STANDARDS, ALL THE OILFIELDS IN THE WORLD ARE MARGINAL. NO OTHER COUNTRY IN THE WORLD OR STATE IN THE UNION HAS ANYTHING EVEN CLOSE TO ELF. IF YOU ARE IN FAVOR OF NOT REVISING THE ELF WE WILL DO ALL WE CAN TO SEE THAT THIS IS YOUR LAST TERM IN OFFICE. EOM/MJO

POMID: 07100604

DATE: 03/31/89

TIME: 10:06:04

LIONAME: FAIRBANKS LIO

COPIES: SENATORS

COGHILL

FRANK

FAIKS

KELLY

PEARCE

ADAMS

FISCHER

HALFORD

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: CINDY JOHNSON  
TITLE:  
ADDRESS: P.O.BOX 81093  
CITY: FAIRBANKS  
PHONE: 479-5032  
BILL NO:  
SUBJECT: ELF  
MESSAGE: I AM NOT SWAYED BY OIL COMPANY PROPAGANDA. OIL ONLY WORKS FOR US ONCE. REPEAL THE ELF.

ZIP: 99708

POMID: 07144843  
DATE: 03/27/89  
TIME: 14:48:43  
LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES   REPRESENTATIVES   SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMAUSKI
SPOHNHOLZ	SHACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: CHRIS CATALONE  
TITLE:  
ADDRESS: 1877 ROOSEVELT ST.  
CITY: FAIRBANKS ZIP: 99709  
PHONE: 474-0757  
BILL NO: HB 118  
SUBJECT: OIL & GAS PROPERTIES PRODUCTION TAX-ELF  
MESSAGE: TRUST ME, TRUST ME, THEY SAID. IT'S TIME TO PUT THE ELF TO BED.  
I THINK THAT'S ENOUGH SAID.

POMID: 07082120  
DATE: 03/28/89  
TIME: 08:21:20  
LIONAME: FAIRBANKS LIO

COPIES: SENATORS

ADAMS  
BINKLEY  
COGHILL  
DUNCAN  
ELIASON  
FAIKS  
FISCHER  
FRANK  
HALFORD  
JONES  
KELLY  
KERTTULA  
PEARCE  
POURCHOT  
RODEY  
STURGULEWSKI  
SZYMAWSKI  
UEHLING  
ZHAROFF

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: BOB GROVE  
 TITLE:  
 ADDRESS: PO BOX 150  
 CITY: ESTER ZIP: 99725  
 PHONE: 479-6691  
 BILL NO:  
 SUBJECT: ELF  
 MESSAGE: I WILL MAKE THIS SHORT AND SWEET. VOTE YES TO REPEAL ELF OR YOU  
 WILL NOT GET MY VOTE WHEN YOU RUN FOR RE-ELECTION. I FEEL VERY STRONGLY  
 ABOUT THIS, AND YES THE VALDEZ OIL SPILL HAS ADDED TO MY CONCERN.  
 EOM/MJO

POMID: 07120844  
 DATE: 03/28/89  
 TIME: 12:08:44  
 LIONAME: FAIRBANKS LIO

COPIES: SENATORS

COGHILL  
 FRANK

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: PAT MCGUIRE  
 TITLE:  
 ADDRESS: 17625 LAOANA CIRCLE  
 CITY: EAGLE RIVER ZIP: 99577  
 PHONE: 694-4941  
 BILL NO:  
 SUBJECT: BUDGET CUTS  
 MESSAGE: IN CASE THE THOUGHT OF REDUCING WASTEFUL PROGRAMS AND ELIMINATING A  
 FEW HUNDRED REDUNDANT OR UNNECESSARY STATE EMPLOYEES BOTHERS YOU, CONSIDER  
 THIS: ANCHORAGE ALONE HAS LOST 15,000 PRIVATE SECTOR JOBS AND 30,000 RESIDENTS.  
 THE PEOPLE SPOKE CLEARLY AT THE BUDGET FORUMS. GET SERIOUS AND CUT BACK STATE  
 GOVERNMENT.

POMID: 03124757  
 DATE: 03/28/89  
 TIME: 12:47:57  
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	ELIASON
DOHLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMANSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: MICHAEL CRAFT  
TITLE:  
ADDRESS: 1739 CHENA RIDGE  
CITY: FAIRBANKS  
PHONE: 479-5130  
BILL NO: HB 110  
SUBJECT:

ZIP: 99709

MESSAGE: AS AN ALASKAN AND AN INVESTOR THE TAXES HERE IN FAIRBANKS HAVE PROMPTED ME TO LOOK ELSEWHERE FOR INVESTMENTS BECAUSE OF THE PROPERTY TAXES. THE LOCAL GOVERNMENT IS LOOKING FOR MORE PROPERTY TAXES BECAUSE STATE REVENUE SHARING HAS DROPPED. HOW CAN YOU JUSTIFY GIVING TAX BREAKS TO OBVIOUSLY VERY LUCRATIVE OIL DEVELOPMENT WHEN I AS A BUILDER CANNOT EVEN AFFORD TO PAY PROPERTY TAXES ON NEW CONSTRUCTION.

POMID: 07095020  
DATE: 03/24/89  
TIME: 09:58:20  
LIONAME: FAIRBANKS LIO

COPIES: SENATORS

ADAMS  
BINKLEY  
COGHILL  
DUNCAN  
ELIASON  
FAIKS  
FISCHER  
FRANK  
HALFORD  
JONES  
KELLY  
KERTTULA  
PEARCE  
POURCHOT  
RODEY  
STURGULEWSKI  
SZYMANSKI  
UEHLING  
ZHAROFF

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: BARBARA GRANGER  
 TITLE:  
 ADDRESS: 931 LIGHTHOUSE  
 CITY: ANCHORAGE ZIP: 99515  
 PHONE: 345-6462  
 BILL NO:  
 SUBJECT:  
 MESSAGE: I WANT TO SEE STATE GOVERNMENT CUT, NO NEW TAXES, LEAVE ELF ALONE AND NO CLOSED DOOR MEETINGS.

POMID: 03085239  
 DATE: 03/25/89  
 TIME: 08:52:39  
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURHACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMANSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: GEORGE C. BERRY  
 TITLE:  
 ADDRESS: P.O. BOX 81590  
 CITY: FAIRBANKS ZIP: 99708  
 PHONE: H/R-  
 BILL NO:  
 SUBJECT: ECONOMIC LIMIT FACTOR  
 MESSAGE: THIS BILL SHOULD BE ALLOWED HEARINGS IN THE COMMITTEES, TO ENSURE THE PUBLICS BEST INTEREST. STOPPING A BILL FROM REACHING ALL COMMITTEE ACTION DOES THE CITIZENS A DISSERVICE, AND ANY LEGISLATOR THAT TRIES TO PREVENT A BILL FROM DOING SO - WILL NOT RECEIVE MY BALLOT OR ANY BALLOT FROM OTHERS WITH SIMILAR FEELINGS. LET THE ELF ISSUE BE HEARD IN ALL COMMITTEES. EHM/CLS

POMID: 07091455  
 DATE: 03/25/89  
 TIME: 09:14:55  
 LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES SENATORS

BOYER	COGHILL
DAVIS, M.	FRANK
KOPONEN	FAIKS
MILLER	SZYMANSKI
SHARP	HALFORD
	PEARCE
	RODEY
	KERTTULA
	ELIASON
	STURGULEWSKI
	ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: JIM RICE  
TITLE:  
ADDRESS: P.O. BOX 1622  
CITY: FAIRBANKS ZIP: 99707  
PHONE: 488-3018

BILL NO:  
SUBJECT:  
MESSAGE: I URGE YOU TO REPEAL ELF. OIL COMPANIES HAVE MADE BILLIONS FROM OIL. LOOK AT THE EXXON SPILL. PROTECT THE FUTURE OF ALASKAN CITIZENS. TAX THE OIL COMPANIES! WHERE DOES YOUR LOYALTY LIE? LET ME KNOW WITH YOUR VOTE. THANK YOU. EOM-FZ

POMID: 07112948  
DATE: 03/27/89  
TIME: 11:29:48  
LIONAME: FAIRBANKS LIO

COPIES: SENATORS

ADAMS  
BINKLEY  
COGHILL  
DUNCAN  
ELIASON  
FAIKS  
FISCHER  
FRANK  
HALFORD  
JONES  
KELLY  
KERTTULA  
PEARCE  
POURCHOT  
RODEY  
STURGULEWSKI  
SZYMANSKI  
UEHLING  
ZHAROFF

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: SUE HUPP

TITLE:

ADDRESS: 2221 MULDOON #594

CITY: ANCHORAGE

PHONE: 337-2409

ZIP: 99504

BILL NO: SB 168

SUBJECT: AUTHORIZING GAMBLING IN CERTAIN PLACES

MESSAGE: PLEASE VOTE NO ON THIS BILL. RATHER PUT OUR EFFORTS TOWARD THE BUDGET WITHOUT ADDING PRESSURE TO OUR LAW ENFORCEMENT AGENCIES BECAUSE OF INCREASED CRIME RELATED TO LEGALIZED GAMBLING.

POMID: 03140340

DATE: 03/27/89

TIME: 14:03:40

LIONAME: ANCHORAGE LIO

COPIES: SENATORS

ADAMS  
BINKLEY  
COGHILL  
DUNCAN  
ELIASON  
FAIKS  
FISCHER  
FRANK  
HALFORD  
JONES  
KELLY  
KERTTULA  
PEARCE  
POURCHOT  
RODEY  
STURGULEWSKI  
SZYMAWSKI  
UEHLING  
ZHAROFF

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: ANN CUNNINGHAM

TITLE:

ADDRESS: P.O. BOX 74602

CITY: FAIRBANKS

PHONE: 488-3674

ZIP: 99707

BILL NO:

SUBJECT: ELF

MESSAGE: VOTE FOR ALASKANS, NOT BIG OIL, REPEAL THE ELF.

POMID: 07123156

DATE: 03/27/89

TIME: 12:31:56

LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MEHARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMAWSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

f- ELF

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: MARY MATTHEWS  
TITLE:  
ADDRESS: 3872 FRENCHMAN ROAD  
CITY: FAIRBANKS  
PHONE: 455-6311

ZIP: 99701

BILL NO:  
SUBJECT:

MESSAGE: I SUPPORT INCREASING REVENUE BY REVISING THE ELF, AND ADOPTING  
KOFONEN'S INCOME TAX PROPOSAL. THE WOMEN'S & CHILDREN'S COMMISSIONS ARE TOO  
IMPORTANT TO CUT. EOM-FZ

FOMID: 07092430  
DATE: 04/24/89  
TIME: 09:24:30  
LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES SENATORS

BOYER  
DAVIS, M.  
KOFONEN  
MILLER  
SHARP

FRANK  
CCSHILL

*Matthews, tm*  
*Phone office 2*  
*15.0*  
*WILLA*

File  
Chronological  
HB 752  
ELF (HB 113?)  
FY 90 Oper. Commission  
FY 90 CIP Commission

# Alaska State Legislature

SENATOR BETTYE FAHRENKAMP  
CHAIRMAN, RESOURCES COMMITTEE  
119 N. CUSHMAN STREET, SUITE 201  
FAIRBANKS, ALASKA 99701  
OFFICE (907) 452-4882  
HOME (907) 456-2899



Senate

WHILE IN JUNEAU  
P.O. BOX V  
JUNEAU, ALASKA 99811  
CAPITOL, ROOM 125  
OFFICE (907) 465-3834  
HOME (907) 780 6027

May 3, 1989

Mary Matthews  
3872 Frenchman Road  
Fairbanks, AK 99701

Dear Mary:

Thank you for contacting me. Let me address your concerns one at a time. The ELF bill, HB 118, passed out of the Senate Resources Committee, which I chair, the day before yesterday. It is being heard tomorrow in the Senate Finance Committee. It could well reach the Senate floor for before session ends. If that's the case, I'm optimistic that it will pass.

Last week, HB 252 by Representative Koponen was heard in the House State Affairs Committee. In his testimony, Niilo was very earnest when he quoted Franklin Roosevelt who said: "Taxes, after all, are the price we pay for the privileges of membership in an organized society." The committee, needless to say, did not treat the income tax bill with enthusiasm. It's dead for this session.

The Chairman proposed extensive statewide hearings during the interim on the issue. Any controversial legislation deserves nothing less. I don't like taxes any more than the next person. But, as a legislator, I would feel it would be responsible to consider it as a desperate last resort.

I can tell you this: I listen carefully to the desires of our community and I would only vote for an income tax bill if I was absolutely convinced most of my constituents were willing to go along with it.

As far as the women's commission and the children's commission are concerned, you know how supportive I have been on those two. I am worried, however, that the bill establishing the Alaska Commission on Children and Youth, HB 66, may not pass this session. It passed out of the Senate State Affairs Committee, and will be heard today in the Senate Health & Social Services Committee. After that, it still must go to the Senate Finance Committee. I'll be doing what I can to move it along.

The capital budget will be decided in the next few days. The Interior Delegation would be glad to consider WICCA's \$15,000 request for inclusion. Small funding requests often have a good chance. I will keep you informed.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bettye Fahrenkamp".

Bettye Fahrenkamp  
Alaska State Senate

# Alaska State Legislature

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CHAIRMAN, RESOURCES COMMITTEE  
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Bettye Fahrenkamp  
Alaska State Senate

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Bettye Fahrenkamp  
Alaska State Senate

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Bettye Fahrenkamp  
Alaska State Senate

3-2-84

# A not-so-subtle trick with the ELF

Remember this little trick from childhood days? A friend is playing with a toy you want. "Hey," you say, "Look — over there!" The friend looks up and you snatch the goodie.

A grown-up version of this game is being played by defenders of the oil tax break known as the Economic Limit Factor, or ELF. They know this tax break isn't long for this world if it stays on center stage in the legislature. It's tough to argue that a tax break designed for marginal oil fields should apply to Prudhoe Bay and Kuparuk, the nation's two largest. It's hard to argue the tax break yields the state treasury \$235 million a year in trickle-down benefits.



So ELF's defenders would prefer to divert attention from the subject. "Look, over there, at the state budget," they say. "It's bloated. It needs to be cut." They hope that while legislators and voters look the other way, the oil industry can walk off with its tax break untouched.

Alaskans shouldn't fall for this ruse. Reforming the ELF and cutting the budget are two separate questions.

Could the budget be cut more? Yes.

Will it be cut more? Probably not.

In theory, everyone agrees the state spends too much. In practice, it's hard to muster the political will to cut specific items. One person's fatted calf is another's sacred cow.

But does all this make any difference to what is right and proper with ELF? No.

ELF's defenders have it backwards. They imagine that Alaskans are the ones who have to justify their use of the ELF money. They imagine Alaska is just another lowly employee who must beg for a raise from the boss. They imagine the boss can say, "I'm not going to give you a raise because I don't like how you spend your money." They imagine Alaskans will say, "Gosh, boss, you're right. No raise for us. We'll just waste it."

Alaska's oil industry is not our boss. The oil on the North Slope belongs to us. We hired oil firms to develop our oil and they agreed to split the proceeds. They make a healthy profit from producing and shipping the oil; we collect taxes and royalties.

We're entitled to a fair share from our oil. The size of that share does not depend on whether the industry likes how we decide to spend it.

When it comes to wasting money in Juneau, the ELF is the biggest waste on the state's balance sheet. It's an unnecessary tax handout to the undeserving. It's Alaska's equivalent of corporate welfare.

If our representatives don't want to spend ELF money to improve government services, like environmental protection and resource management, they can put it to some other use. Put the money into our schools. Put it into our local governments. Put it in the permanent fund.

Put it anywhere but in the pockets of the oil industry.

## OTHER VIEWS

Burlington County Times (Willingboro, N.J.)

The Alaskan oil spill will probably be fuel for Bush's opponent when the re-election effort starts. Remembering the milage Bush got from the filth of Boston Harbor, the Democrats would be remiss if they didn't make reference to the administration's hands-off handling of the...

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## Editorial

## Moment of truth

Ketchikan, Petersburg and Wrangell expect to find out soon whether state Sen. Lloyd Jones supports oil companies or the Alaska Marine Highway System and southern Southeast school and hospital projects.

The verdict will come with the Southeast Alaska senator's vote on the economic limit factor (ELF). ELF provides a tax break for oil companies. The companies agree to keep low-volume, low-profit wells in operation in exchange for the break. However, the tax break also benefits the nation's two richest oil fields in Alaska.

The expensive Exxon oil tanker spill last month in Prince William Sound has, justly, jeopardized that tax break. Legislators - with the exception of some of those in the state's oil hub of Anchorage - and Alaskans alike believe the break should be eliminated for the richest fields. The taxes should be used to pay for the spill cleanup, and to establish an oil disaster prevention program and an oil disaster cleanup program.

The revision of ELF would provide up to \$30 million annually for the cleanup program, according to proposed legislation. Additionally, altering ELF would put about \$200 million more into the state's coffers, which would contribute considerably toward balancing the budget this session.

Most important to Southeast Alaskans ELF changes would mean a better future for the Marine Highway System, which stands to sustain a \$2 million cut under the Senate's proposed budget. The proposal could be changed following an ELF revision. A \$1 million shortfall for the system prompted cutbacks in Prince of Wales Island service and requests by the Department of Transportation for supplemental appropriations this year. The approximately 5,000 island residents receive service only once a week on Tuesdays. They complain the schedule is not conducive to making travel connections in Ketchikan or to accomplishing business, which Ketchikan merchants enjoy. They maintain cars get left on the docks because the demand for service to an area of the state that has been growing by leaps and bounds exceeds the space available.

Jones, chairman of the Senate's transportation committee, could come through with flying colors as a leader of that committee and a representative of Prince of Wales people, by voting to revise ELF and give the ferry system a boost.

He also would be showing his support for a variety of large and small southern Southeast necessities. Ketchikan ranks at the top of lists for a \$21 million high school. Petersburg seeks a \$2.5 million gymnasium. Wrangell and Ketchikan need state assistance to the tune of \$600,000 and \$16 million for hospital projects.

Gov. Steve Cowper supports and the House of Representatives passed legislation eliminating the tax break for the richest oil fields.

Oil lobbyists likely have descended on Sen. Jones. Will he give in under their pressure for a \$200 million tax break? Or will he listen to his constituents who prefer projects, a clean environment and protection for wildlife threatened by oil disasters?

The Senate is expected to vote as early as Friday.

From other editors

## Excuses, excuses

The culpability of Exxon and the shared responsibility of



Mike Royko

## For two w

By MIKE ROYKO  
Tribune Media Services

"That's what I like," said Slats Grobnik, with a snort and a snicker. "I like a guy who doesn't make any snap decisions."

Who are you talking about?

"Who else? Our new leader, the commander in chief, the great horseshoe player, President Bush."

What has brought on your sudden admiration?

"Well, I just heard he said the big oil leak in Alaska is the oil company's fault, but he's going to send in troops to help clean it up anyway."

I think that is a decision we can all agree on.

"Right, and what I like is he just didn't rush in there with any whatchacallits."

Premature conclusions?

"That's right. He took two weeks to think it over. He didn't make up his mind right away like I did."

You did?

"Yeah, as soon as it happened, I figured if it is Exxon's boat, and they run it into some rocks, and it's their oil that's spilling all over the ocean, it's their fault."

I think most people thought that way.

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Alaska State Legislature

J. # TAXES  
ELF

SENATOR BETTYE FAHRENKAMP  
CHAIRMAN, RESOURCES COMMITTEE  
119 N. CUSHMAN STREET, SUITE 201  
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HOME (907) 780-6027

February 20, 1989

Mr. Willie Lewis, President  
Laborers Union, Local 942  
315 Barnette Street  
Fairbanks, Alaska 99701

Dear Willie:

Thank you for writing me to express your opinions about proposed modifications to the Economic Limit Factor used to compute severance taxes on oil and gas.

As you know, legislation has again been introduced this session to modify the formula. Supporters say the new proposal would promote economic development and raise state revenues by targeting tax breaks on only truly marginal fields. It would reduce our projected budget deficit by providing about \$385 million for FY 89 and FY 90. Opponents to the change argue that the existing formula is working well by creating positive incentives for development. Without tax stability, they say, the oil industry will think twice about future investments.

There are strong indications that the formula is not working as originally intended. Tax incentives must be carefully constructed to ensure efficiency and fairness. As Chairman of the Senate Resources Committee, I intend to give the proposal full and open consideration if and when it reaches the committee. I will be sure to keep your views in mind as this important debate continues.

Sincerely,

Bettye Fahrenkamp  
Chairman

BF:dc.dnr

# Alaska State Legislature

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February 20, 1989

Mr. W. R. Cox, President  
Greater Fairbanks Chamber of Commerce  
P.O. Box 74446  
Fairbanks, Alaska 99707

Dear Wally:

Thank you for writing me to express your opinion about proposed modifications to the Economic Limit Factor used to compute severance taxes on oil and gas.

As you know, legislation has again been introduced this session to modify the formula. Supporters say the new proposal would promote economic development and raise state revenues by targeting tax breaks on only truly marginal fields. It would reduce our projected budget deficit by providing about \$385 million for FY 89 and FY 90. Opponents to the change argue that the existing formula is working well by creating positive incentives for development. Without tax stability, they say, the oil industry will think twice about future investments.

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Chairman

BF:dc.dnr

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February 20, 1989

Mr. Liam Wescott  
342 Beggar's Roost Run  
Fairbanks, Alaska 99709

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Sincerely,

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Bettye Fahrenkamp  
Chairman

BF:dc.dnr

*elfrobo*

February 20, 1989

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Greater Fairbanks Chamber of Commerce  
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Chairman

BF:dc.dnr



Greater Fairbanks

**Chamber**

of Commerce

*10 - memo*

P.O. Box 74446

709 Second Avenue

(907) 452-1105

Fairbanks, Alaska 99707

February 13, 1989

The Honorable Bettye Fahrenkamp  
Alaska State Senate  
P.O. Box V  
Juneau, AK 99814

FEB 16 1989

Dear Senator *Bettye* Fahrenkamp:

The Greater Fairbanks Chamber of Commerce has consistently opposed any legislative initiative to unduly increase taxes on individuals or businesses. Specifically, we have opposed modification of the Economic Limit Factor to increase the severance tax oil producers pay since that strategy has emerged.

With increasing frequency, we see demonstrations that ELF is fulfilling it's intended purpose. Oil company investment is stimulated. Jobs are on the increase. Enhanced recovery methods are employed to maximize production. Planned capital programs are moving forward. All this because ELF is working.

When oil prices decline; when significant growth in administration staffing occurs; when new social programs are proffered or existing programs expanded; when the basis of revenues to support the budget is not sufficiently diversified; mature government must prevail. Tough decisions are required. Demand efficient cost effective operation. Vigorously negotiate expiring labor contracts. Implement a reduction in force. Courses of action to reduce cost of government are many, with services still provided.

Responsible and mature government recognizes that to retain or attract industry a stable tax philosophy must prevail. Industry should be able to expect that. We oppose House Bill No. 118 and any other legislation which would modify the current structure of the economic limit factor.

Sincerely,

W.R. Cox  
President and CEO

WRC:ldm

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

FEB 16 1989

NAME: WILLIE LEWIS, PRESIDENT  
TITLE: LABORERS' LOCAL 942  
ADDRESS: 315 BARNETTE STREET  
CITY: FAIRBANKS  
PHONE: 456-4584

ZIP: 99701

BILL NO: HB 118

SUBJECT: ~~OIL & GAS PROPERTIES PRODUCTION TAX~~ -ELF

MESSAGE: THANK YOU FOR HOLDING THE PUBLIC HEARING. HOWEVER, IT APPEARS ONLY THOSE COACHED BY THE OIL COMPANIES UNDERSTOOD THE BILL. THE COMMITTEE NEEDS TO MAIL OUT INFORMATION EXPLAINING THE FORMULA, THE 300 BARRELS AND THE COST TO ALASKANS BEFORE ANOTHER HEARING IS HELD. LOCAL 942 IS BEHIND YOU ALL THE WAY.

POMID: 07094920

DATE: 02/15/89

TIME: 09:49:20

LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES SENATORS

DAVIDSON  
DAVIS, M.  
BOYER  
SHARP  
MILLER  
KOPONEN

COGHILL  
FRANK

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: ED & LOIS KINCAID  
TITLE:  
ADDRESS: 7921 OLD STEESE N.  
CITY: FAIRBANKS  
PHONE: 479-1087

ZIP: 99712

BILL NO:  
SUBJECT: ~~SELF MODIFICATION~~

MESSAGE: I URGE EVERY MEMBER OF OUR DELEGATION TO READ CLIFF BURGLIN'S GUEST OPINION APPEARING IN DAILY NEWS-MINER, SUNDAY, FEBRUARY 12 AND TAKE HEED. THE TRIO OF COWPER, MCALPINE AND MALONE WOULD LEAD US DOWN THE PATH TO DISASTER. PLEASE STOP THEM. LEAVE CONTRACTUAL AGREEMENTS AS THEY ARE.

EOM-FZ-C

POMID: 07125114  
DATE: 02/15/89  
TIME: 12:51:14  
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COPIES: REPRESENTATIVES SENATORS

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KOPONEN  
MILLER  
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T

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: MARGE PRINCE  
 TITLE:  
 ADDRESS: 2412 W. 29TH AVE  
 CITY: ANCHORAGE  
 PHONE: 243-0310

ZIP: 99517

BILL NO:  
 SUBJECT: ALASKA WOMENS COMMISSION  
 MESSAGE: THE ALASKA WOMENS COMMISSION SHOULD BE AMENDED TO INCLUDE A BROADER SECTION SUCH AS CHRISTIAN WOMEN. IT APPEARS THAT THIS SEGMENT HAS BEEN BY PASSED COMPLETELY.

POMID: 03080558  
 DATE: 02/13/89  
 TIME: 08:05:58  
 LIONAME: ANCHORAGE LIO

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TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

## PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: ELIZABETH ANDREWS  
 TITLE:  
 ADDRESS: P.O. BOX 93  
 CITY: FSTER  
 PHONE: 474-8829  
 BILL NO: HB 118

ZIP: 99725

SUBJECT: OIL & GAS PROPERTIES PRODUCTION TAX -ELF  
 MESSAGE: I SUPPORT THE REPEAL OF ELF. AS IT IS, LARGE CORPORATIONS HAVE TOO MUCH INFLUENCE OVER GOVERNMENT POLICIES. ALASKA'S GOVERNMENT WAS CREATED TO SERVE THE PEOPLE OF ALASKA, NOT THE GIANT CORPORATIONS OF THE WORLD. PUBLIC SERVANTS WORK TO SERVE THE CITIZENS, NOT THE INTERESTS OF A FEW PRIVATE ENTERPRISES.

POMID: 07082202  
 DATE: 02/13/89  
 TIME: 08:22:02  
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FEB 14 1989

FEB 10 1989

342 Beggar's Roost Run  
Fairbanks, AK, 99709  
February 7, 1989

Sen. Bettye Fahrenkamp  
125 Capitol Building  
P.O. Box V, Juneau, AK,  
99811

Dear Sen. Fahrenkamp:

I am writing you today concerning an issue of great importance to all Alaskans. I am writing about the ~~Economic Limitation Factor~~, or the ELF. As you know, the ELF is a tax break on marginal oil fields, such as Milne Point, designed to encourage development of these fields. But the ELF has been applied to Prudhoe Bay and Kuparuk, fields that are not marginal and are the most profitable in North America.

The ELF issue is a complex one, but one that boils down to this: the ELF is an unfair tax break, to the tune of about 150 million dollars a year, that gives the oil companies money, money that belongs to the people of Alaska. The bottom line is that this 150 million dollars a year is our money, and could go for things like roads, schools, hospitals, the University, etc., and not into the oil companies' coffers.

I feel that, at the minimum, the ELF should be modified to include only marginal oil fields, and if this is impossible, then it should be repealed. I urge you to consider repeal of the ELF when it comes before the Senate. Thank you for your consideration.

Sincerely,



Liam Wescott

# Alaska State Legislature

SENATOR BETTYE FAHRENKAMP  
CHAIRMAN, RESOURCES COMMITTEE  
119 N. CUSHMAN STREET, SUITE 201  
FAIRBANKS, ALASKA 99701  
OFFICE (907) 452-4882  
HOME (907) 456-2899



Senate

WHILE IN JUNEAU  
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JUNEAU, ALASKA 99811  
CAPITOL, ROOM 125  
OFFICE (907) 465-3834  
HOME (907) 780-6027

March 4, 1989

Ed and Lois Kincaid  
7921 Old Steese N.  
Fairbanks, AK 99712

Dear Ed and Lois:

I share your sentiments against mandatory seatbelts. Alaskans don't need to be told one more thing to do. There is little doubt that seatbelts save lives, reduce health care costs and insurance rates. I supported restraint devices for children because they are not able to make their own choice. However, I believe most Alaskans will choose to be responsible and wear seatbelts without the threat of a fine if they do not buckle up.

To provide an incentive to wear seatbelts, I introduced SB 98 which would allow for a ten percent reduction in fines if a person is stopped for a traffic violation and the driver and any passengers have a belt on. It would apply only to minor infractions, not serious ones that require a court appearance, such as driving while intoxicated. To me, the carrot approach works best. SB 98 passed out of the Senate Community & Regional Affairs Committee on February 21 and will be heard in the Senate Judiciary Committee on March 7.

You have also expressed your opposition to proposed modifications to the Economic Limit Factor used to compute severance taxes on oil and gas. As you know, legislation has again been introduced this session to modify the formula. Supporters say the new proposal would promote economic development and raise state revenues by targeting tax breaks on only truly marginal fields. It would reduce our projected budget deficit by providing about \$385 million for FY 89 and FY 90.

Opponents to the change argue that the existing formula is working well by creating positive incentives for development. Without tax stability, they say, the oil industry will think twice about future investments.

There are strong indications that the formula is not working as originally intended. Tax incentives must be carefully constructed to ensure efficiency and fairness. As chairman of the Senate Resources Committee, I intend to give the proposal full and open consideration if and when it reaches the committee. I will be sure to keep your views in mind as this important debate continues.

The same goes for any new taxes on individuals. It's important that you tell me what you're thinking. Surprisingly, some folks have told me they are willing to bear some financial burden to keep the budget from being cut any further, and these aren't all people who work for government in some form or another. The economy is pretty darn dependent on state spending too. Drastic cuts will have a negative effect for both recipients of state services and programs and businesses whose customers benefits directly or indirectly from state spending. The legislature must balance our revenue with our expenditures, so before deciding how to do it, I'll be giving the issue the most careful consideration.

Thank you for contacting my office on these issues.

Sincerely,



Bettye Fahrenkamp  
Alaska State Senate

tm



# ALASKA STATE LEGISLATURE

## SENATE SPECIAL COMMITTEE ON OIL AND GAS

*add*  
*2/8*

Senator Bettye Fahrenkamp  
Chairman  
Senator Jack Coghill  
Senator Paul Fischer

P.O. Box V, State Capitol  
Juneau, Alaska 99811  
(907) 465-3834

March 19, 1987

Cindy Spanyers  
P.O. Box 81474  
Fairbanks, AK 99708

Dear Cindy:

Thank you for your letter expressing your support for suspending or modifying the Economic Limit Factor (ELF).

As you know, the ELF was designed to help keep marginal oil and gas fields in production. The present formula needs to be modified to reduce the severance tax on truly marginal fields such as Milne Point and Lisbourne, not major producing areas like Prudhoe Bay.

Despite the mood of some members of the Senate to not impose any new taxes, modification of the ELF deserves serious consideration. A proposal to modify or suspend the ELF is not a new tax. It is simply correcting problems with the current formula. Under either proposal, taxes on oil produced at Prudhoe bay would not be increased, they would just not be decreased on June 20, 1987.

Cindy, let me know how things are going on getting the Borough Assembly to pass a resolution in support of this proposal. Thanks again for your support.

Sincerely,

A handwritten signature in cursive script that reads "Bettye".

Bettye Fahrenkamp  
Chairman

BF:dc

MAR 13 1987

March 11, 1987

Cindy Spanyers  
POB 81474  
College, AK 99708

Senator Bettye Fahrenkamp  
P.O. Box V  
Juneau, AK 99811

Dear Senator Fahrenkamp;

Last night at the weekly teleconference, I testified on the Economic Limit Factor. I would like to thank you for your moral support and comments that you made in support of suspending the ELF.

With the five committee assignments, I think it is real apparent as to how the Senate leadership views this legislation. Nonetheless, I haven't given up hope. I have talked with Borough Assembly members about sponsoring a resolution and I will try to get more friends to write letters on this matter.

Things still look difficult, but hopefully, more people will be begin to realize what problems lie ahead if the ELF is not suspended. Your outspokenness helped last night.

At any rate, I thank you for your comments and hope that you will get SB 156 in your committee before the end of session. Good luck! 158

Sincerely,

*Cindy Spanyers*  
Cindy Spanyers

*spanyers, 09*

# Alaska State Legislature

SENATOR BETTYE FAHRENKAMP  
CHAIRMAN, LEGISLATIVE COUNCIL  
CHAIRMAN, OIL AND GAS COMMITTEE  
515 7TH AVENUE, SUITE 130  
FAIRBANKS, ALASKA 99701  
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Senate

*Add*  
*HB 164*

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HOME (907) 780-6027

March 20, 1987

Mr. Randy A. Ruedrich  
2620 Legacy Drive  
Anchorage, AK 99516

Dear Randy:

Thank you for writing to express your concerns about legislation that would modify the Economic Limit Factor (ELF). I appreciated reading the article from the Society of Petroleum Engineers monthly newsletter.

The House has held several hearings on HB 164, relating to the oil and gas properties tax. The original bill would simply extend the 10 year requirement for Prudhoe Bay another five years. A committee substitute, that would modify the formula so that truly marginal fields were taxed less than larger fields such as Prudhoe, has been approved by the House Resources Committee. I expect to see House floor action on that proposal in the near future. The Senate version, SB 158, has not yet been heard its first committee, Senate State Affairs.

Randy, I recognize that these are hard times for the domestic oil industry, and this affects many of the workers of our state. This may not be the right time to increase taxes on the industry. However, the proposals to postpone or modify the ELF are not "another increase in severance taxes". They just recommend to not reduce taxes on a non-marginal field at this time. I appreciate hearing your views and will be sure to keep them in mind when the bill comes before this committee for consideration. Thank you again for writing.

Sincerely,

A handwritten signature in cursive script that reads "Bettye".

Bettye Fahrenkamp  
Alaska State Senate

BF:dc

MAR 16 1987

March 13, 1987

Senator Bettye Fahrenkamp  
Alaska State Legislature  
P.O. BOX V  
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

Attached please find an excerpt from SPEaking Out, the monthly newsletter of the Society of Petroleum Engineers. This severance tax summary shows a clearly unstable, ever increasing tax burden for the petroleum industry since statehood. Prudhoe Bay has been a fantastic oilfield. Original production could tolerate substantial taxes. The field produced 1,500,000 BOPD from less than two hundred wells in 1978. Unfortunately, the natural decline of the individual wells prevents these wells from continuing to make the field allowable. To maintain the maximum allowable production rate, over six hundred additional wells have been drilled, water flood facilities have been installed and in 1986 the miscible gas injection facilities were installed.

Each new investment is incrementally less attractive than the prior investments. Gary Green in SPEaking Out notes that as Prudhoe Bay matures, truly marginal projects will be considered to maximize production rates and to increase total recovery of oil. Hence, the state, its citizens employed directly or indirectly in the petroleum industry, and the producers will benefit from more barrels of oil produced. Almost any new project requires more wells to accomplish its added recovery. That makes drilling a permanent fixture in the depletion of a maturing field like Prudhoe.

The drilling of new wells is my principal business. Only six rigs are drilling in Alaska today. The Alaskan rig count in January, 1986 was above 25. In early 1986 my organization was running ten drillings rigs and four workover rigs. Today I am down to two drilling rigs and two workover rigs. I stacked my last Prudhoe development rig on March 1. Ten rigs have been released. Over nine hundred people in the drilling and support services have been laid off. More than 75% were Alaskan residents. My drilling staff has decreased by 39%. Another 20% have been working in other parts of the world as loaned

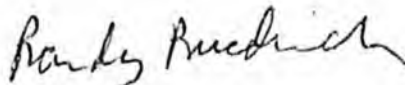
professionals. This is the unique exact reversal of local hire. I have had Alaska residents working China, Egypt, Great Britain, Indonesia and Texas. It is my intent to save as many Alaskans as possible for future Alaskan drilling activities.

Clearly the Alaskan drilling industry is in a survival mode. Our trained work force is leaving the industry and the state. Their loss will make the successful execution of the future marginal projects more difficult. That means the projects will be more expensive and less likely to occur.

Another increase in severance taxes will be more bad news for new projects. The result will be less jobs, less royalty oil, less corporate income tax and finally less severance tax.

The drilling industry cannot stand any more bad news. If a change in severance tax is in order, consider reducing it to increase drilling activities in the near term and to enhance long term state revenues.

Sincerely,



Randy Ruedrich

This month I want to use this space to encourage each of you to become more aware of potential impacts of the Economic Limit Factor (ELF). At my request, Blair Wondzell, an SPE Director for the Alaskan Section and employee of the Alaska Oil and Gas Conservation Commission has prepared the following basic summary of this timely issue:

**WHAT IS THE ELF? WHY DOES IT EXIST? WHY IS IT SIGNIFICANT AT THIS TIME?** Upon reaching statehood, a 1% production tax was imposed on all oil and gas production in the state of Alaska. This was in addition to the 12.5% royalty on state leases. In 1968 the production tax was raised to 3% (this was in response to the disastrous 1967 Fairbanks flood). In 1970, a *stair-step* production tax schedule was instituted reaching 8% on all production over 2,500 BOPD per well, on a field average basis. In 1974, this was changed to 8% tax on all production over 1,000 BOPD per well, on a field average basis.

In 1977, the legislature scrapped the *stair-step* production tax schedule and instituted a 12.25% (changed to 15% in 1981) tax rate on all oil production (in addition to the 12.5% royalty on state leases). Since this tax burden would have shortened the economic life of all oil fields (and is particularly significant to Cook Inlet fields), the Economic Limit Factor (ELF) was developed to reduce the tax rate as fields approached their economic limits.

The formula developed was:

$$ELF = [1 - (PEL/TP)]^{(466 \times WD)/PEL} :$$

where PEL is the monthly production rate at the economic limit (the economic limit presumed by statute to be 300 BOPD, thus PEL is 300 BOPD x Well Days (WD) for the field); and TP is Total Production for the month, in barrels of oil.

The statute states that during the first 10 years of commercial oil production, an ELF greater than "0.7" is treated as "1.0". If the value of the calculated ELF is less than "0.7", the specific calculated factor is used. After 10 years of commercial production, the calculated ELF is used. (Note: The calculated ELF never goes to a value of "1" or to "0".)

Why all the fuss? The ELF for Prudhoe Bay Field has been running at about "0.85", but because of the 10 year criteria, it was treated as "1.0". During this year, 1987, the 10 years of commercial production will have passed and then the calculated ELF will be the factor used; i.e., for a tax rate of 15% and a calculated ELF of "0.85", the effective production tax rate will be 12.75%. The legislature is considering various proposals to exclude the Prudhoe Bay Field from implementing the ELF.

**Editorial Comment:** If the creation of the ELF was to extend the economic limits of all oil fields by giving such fields relief from the high production tax, then how should the state consider the development of marginal projects within the Prudhoe Bay Field? The absence of tax relief for the marginal projects of the Prudhoe Bay Field could reduce the ultimate recovery factor for the reservoir and effectively prohibit the production of as much or more oil reserves as might be found in a new "marginal" field. And finally, if the state changes the economic rules after major capital commitments have been made by the working interest owners on a marginal development project within a major field, then future oil development projects throughout the state are likely to have more conservative economic analysis assumptions which would probably reduce the scope of a project or result in scrapping the project; again, potential oil reserves may be lost.

*Gary J. Green, Publicity Chairman*

PUBLIC OPINION MESSAGE

DEAR: SENATOR FAHRENKAMP

NAME: DANIEL ADAMS  
TITLE:  
ADDRESS: PO BOX 81001  
CITY: FAIRBANKS ZIP: 99708  
PHONE: 479-2882  
BILL NO: HB 118  
SUBJECT: OIL & GAS PROPERTIES PRODUCTION TAX -ELF  
MESSAGE: IT IS VERY IMPORTANT FOR THE INTEGRITY OF OUR STATE GOVERNMENT  
THAT OUR LEGISLATORS GARNER THE OPTIMUM ROYALTIES FROM SUCH A VALUABLE  
NONRENEWABLE RESOURCE AS OUR OIL. PLEASE SUPPORT HB 118. EOM/MJO

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FRANK  
COGHILL



STATE OF ALASKA  
HOUSE OF REPRESENTATIVES  
Box V, Juneau, Alaska 99811  
(907) 465-2487 • 465-2498

*f. ELF*  
FEB 28 1989  
*Taxes*

REPRESENTATIVE CLIFF DAVIDSON • DISTRICT 27 • Box 746, Kodiak, Alaska 99615 • (907) 486-8250

February 27, 1989

Sally J. Suddock, Editor  
Alaska Journal of Commerce  
900 West 5th Avenue, Suite 410  
Anchorage, Alaska 99501

Dear Ms. Suddock,

This letter is in response to your "short ELF editorial" of February 20th. Any tax policy is an on-going process of review and re-examination. Alaska's tax policy on oil and gas produced on state property should be no exception.

Who's to know which changes are in order to ensure public policies, over time, are doing their job? Certainly public policy that "never sees the light of day" is policy doomed to darkness. I think more highly of and expect more from those fine Alaskans serving as our Senators, those dedicated men and women who are constantly working for the public's interest and our state's welfare.

To set the record straight, by my recollection, during my three years of serving on the House Resources Committee, there has never been an 8:00 a.m. Saturday hearing -- and there certainly wasn't one on Saturday, February 11, as you erroneously report.

I trust that you will print this response in fairness to me and the other members of the House Resources Committee. The Committee has worked very hard on the ELF legislation and on giving HB 118 a fair hearing.

Thank you for allowing me the opportunity for telling my side.

Sincerely,

*Cliff Davidson*

Representative Cliff Davidson  
Co-Chair, House Resources Committee

CD/eed

cc: All Alaska State Senators

# It's getting to be a zoo

It's getting to be a zoo around here.

This is great, but keeping up with it all is driving us crazy.

Take this week, for example.

The President's coming to town. So are more than 90 Soviets from Moscow to Siberia, tagging along on Dixie Belcher's Juneau music ambassadorship of many years. A big annual resources conference opens, following on the heels of a big oil forecast conference. The construction industry has another large meeting, rural Alaskans are gathering in Southeastern, seminars and business functions are proliferating, noise levels have increased in Congress on arctic oil development and Southeastern timber's future, the state House and Administration are turning up the heat on new oil taxes, and that's just for starters.

There are so many opportunities jumping around this state that we're falling all over ourselves trying to keep up. (All the while guarding our pockets from the gummint).

Guess how we know that the level of activity and opportunity has increased significantly, so as to justify commentary.

It's the mail and the calendar. In recent weeks, with the volume of great mail we receive, we could fill

a 60-page newspaper with interesting information. And pretty photos. And clear charts and graphs. With the news scoops we stumble on everywhere, we could fill another 20 pages. With all the events we can't all attend at once, we could fill still more pages.

Alas, we are shackled by the old limitations of ink on paper; we can only print all the news that fits.

Judging by active weeks such as those in recent months, we can say with some confidence that the recovery certainly has begun. Until all of this economic churning yields the fish, we're packaging parts of the Journal to cram in more information.

Have fun reading it all. And keep up the good mail and phone calls.

### Short ELF editorial

To cram more information, we need shorter editorials around here. Here's a short one on the ELF:

Tinkering with oil taxes is not truly greedy and goofball, it is dirty pool.

We also think the House Resources Committee last week engaged in some dirty pool of its own making. Over hearings extending more than four days, guess where the industry most impacted by this tax increase was scheduled for giving

testimony? On a Saturday morning at 8 a.m.

For those of us who aren't in oil or don't pour over legislative production as our daily bread, guess how the House labelled the hearings? "Hearings on the ELF," perhaps, something we might all readily understand? Nope. "HB 118, Oil & Gas Properties Production Tax" is what the hearings were called.

We checked out the hearings a few times, and, as our Gene Rutledge puts it, "The ELF bill will never see daylight in the Senate."

That is good. But it would have been better if people all over the state didn't have to invest the hours to say No one more time. ELF modifications are had business. Let's stop beating the dead horse.

### Underdog winners

Last week Thursday as these words went into type, the doberman had just won best of show at the Westminster Kennel Club in Madison Square Garden (judging by the description of the new champion, we'll likely see it in Sports Illustrated soon).

One of these years, Roxy's going to win the Rondo. And the North American and the Race of Champions.

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The Alaska Journal of Commerce (ISSN 0271-3278) is published every Monday by Pacific Rim Publishing Co., 900 W. 5th Ave., Ste. 410, Anchorage, Alaska 99501. Telephone (all departments) 272-7500 (in-state, toll-free: 800-478-7500). Subscriptions: \$48 one year; \$38 two years. Foreign surface and domestic first-class rates on request. Single Copy: One Dollar. Second Class postage paid at Anchorage, Alaska. POSTMASTER: Send address changes to THE ALASKA JOURNAL OF COMMERCE, P.O. Box 99007, Anchorage, Alaska 99509.

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Printed by Anchorage Printing Co.

# Alaska Journal of Commerce

Volume 13, Number 8, 28 Pages

775 201 722

**ENSR**

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Formerly ERT

February 17, 1989

FEB 22 1989

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Senator Bettye Fahrenkamp  
Alaska State Senate  
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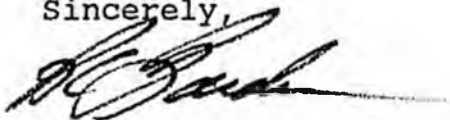
Re: HB-118, Revisions to Economic Limit Factor (ELF)

Dear Senator Fahrenkamp:

I have attached a copy of my testimony before the House Resources Committee On February 13, 1989 opposing any revision to the ELF. Unfortunately, Chairman Davidson limited testimony (particularly that in opposition to HB-118) to increasingly shorter periods of time as the hearing progressed and it was necessary for me to substantially cut my prepared remarks. I have sent a complete copy of my material to the Committee and requested that it be included in the record.

While this issue is not currently before the Senate, Al Adams has introduced an almost identical bill and I expect the ELF will soon heat up in your chamber. I hope you will take a few minutes to read my position in opposition to repeal or any revisions of the ELF.

Sincerely,



R. C. Gardner  
Manager, Alaska Operations

RCG/rm

Enclosure

Feb. 13, 1989

House Resources Committee

Testimony of Robert C. Gardner in opposition to House Bill 118, "An Act Relating to the Oil and Gas Properties Production Tax."

Members of the Committee, Ladies and Gentlemen:

My name is Robert C. Gardner. I am employed by ENSR Consulting and Engineering in Anchorage in the capacity of Alaska Operations Manager. ENSR may be an unfamiliar name to some of you and perhaps you are better acquainted with our previous name, NORTEC/ERT. The ENSR name change reflects both an internal reorganization as well as the acquisition of NORTEC by a national company. As an operating group, the key staff here in Alaska have worked together as engineering and environmental consultants to the natural resources industries since 1977. Our Alaska office presently employs 30 people, which is an increase of 5 over 1986 when our firm felt the maximum impact from the collapse of oil prices. In 1988, 85% of our gross revenue was derived from work for oil and gas companies.

I am appearing before you today to voice my strong opposition to House Bill 118 which, if enacted, would alter the way in which the Economic Limit Factor (ELF) is calculated. This proposed modification of the ELF would have two almost immediate effects:

- 1) An additional approximately 130 million dollars would flow into the State Treasury during the next fiscal year alone from the collection of increased production taxes, principally from Prudhoe Bay and Kuparuk fields. This figure could be much greater if the change in the ELF is made retroactive as proposed by the Governor's office. While the prospect of this increase in revenue brings smiles to the faces of many state bureaucrats, a much more important and negative effect needs to be considered;
- 2) There will be a major change in the way that oil companies do business in this state, particularly by BP, ARCO and Exxon, who hold majority working interests in Prudhoe Bay and Kuparuk. These operators will definitely reduce future investments in Alaska, as well as reduce their present commitments to current projects. This will obviously further erode job opportunities for those of us in the private sector who have chosen to live and work in this marvelous state.

In addition to these two immediate effects, the long term or downstream effects are perhaps even more thought provoking:

- 1) HB-118 will remove the main incentive to extend production further into the decline curve. Wells will reach their economic limit sooner under the proposed legislation, and therefore we can expect to see earlier plugging and abandonments of declining wells. This translates into more oil left in the ground and the commensurate long term loss of royalty and production tax revenue to the state.
  
- 2) Also, the additional tax burden imposed by House Bill 118 will severely diminish future secondary and enhanced oil recovery projects in Prudhoe Bay and Kuparuk fields. These kinds of projects are expensive and require a stable tax climate in order to be economically justifiable. Obviously, secondary and enhanced oil recovery projects mean more long term royalty and tax income to the state, and more jobs for Alaska citizens. In other words, a better return to both the public and private sectors from the extraction of our oil and gas resources.

The method that HB-118 uses to calculate the ELF appears flawed to me. It looks like the authors of this bill, no doubt coached by the Department of Revenue, decided how much of an impact they wanted to have on Prudhoe Bay and Kuparuk and then "backed into" the exponent used to calculate the ELF. In addition, HB 118 changes the application of the ELF from lease or property specific to field specific; all the more damaging to Prudhoe Bay and Kuparuk. All wells decline no matter what field they are located in, and this attempt to penalize two large fields by assuming they are each one large reservoir is without economic or engineering justification.

There seems to be a prevailing opinion among certain legislators, the Department of Revenue, and the Governor's office that the oil industry in Alaska can absorb whatever tax burden the State wants to impose with little or no trickle-down effect felt by the remainder of the private sector. This philosophy says get everything we can now, maintain state spending at the current unreasonable levels and build an ever larger state bureaucracy. This may look like long term job security to a state bureaucrat, but to me in a private sector oil industry support role it looks like disaster. Our employees also need job security, professional challenge and a good quality of life. We have endured salary cuts, loss of jobs and a less than exciting business climate as a direct result of the collapse in oil prices a few years ago. Our firm, and many others like us, have made the necessary adjustments to

continue our operations in a down economy. In other words we have learned how to live within our means. We welcome the return of some stability, albeit at lower oil prices, within the petroleum industry.

House Bill 118 will only serve to undermine what progress the oil companies as well as the support industries have made since the catastrophic drop in oil prices. More specifically, it will result in fewer work opportunities for firms such as ours. I can assure you of at least 30 angry voters if the legislature makes the wrong choice between supporting and improving the business climate in the private sector or maintaining the present bloated State operating budget.

I suggest that this committee focus its attention on another perspective. Like it or not this is pretty much a one-industry state. The only reason we have been able to sustain State government at the existing level has been because of revenues derived from the oil industry. Instead of continually harassing our main source of State revenue through unstable tax policies I think it would be in all of our best interests to explore ways to encourage them to make even greater commitments in Alaska. Further investment in exploration and development projects within the present tax framework will ultimately produce more revenue to the State through royalties, production taxes, lease bonuses, etc. than can ever be realized by modifying the ELF. For example, I suggest

we consider the long term beneficial effects to both the public and private sectors by re-enacting the discovery royalty. Our state lands contain some excellent exploration targets, and of course there is ANWR somewhere in the future. Much oil remains to be recovered in Prudhoe Bay and Kuparuk through secondary and enhanced oil recovery projects if the tax climate will support these investments. Let us therefore send a positive statement to the oil industry; We want you here, we encourage your investment through stable tax policies and we want others like you.

The oil and gas operators, and those businesses which support them, have been consistently among Alaska's best corporate citizens. In addition to funding 85% of State government, this industry supports numerous community programs including the United Way, Boys and Girls Clubs and many more. Oil industry individual employee as well as corporate commitments to the arts are unexcelled. I challenge State employees to demonstrate a similar level of civic commitment. Do you, as elected officials, want to jeopardize this community commitment for the short term gain HB-118 provides? In short, if I don't have a job I can hardly contribute to community programs.

This State does not have a revenue problem, it has a government spending problem. Modification of the ELF through HB-118 solves nothing. It only provides a temporary revenue band aid over a wound that requires major sutures. In the interests of the greater good for the State of Alaska, and specifically the health of our private sector economy I urge you to give HB-118 a deep burial.

Thank You.

(A)

TRANSCRIPT OF PRESENTATION ON ELF  
given by Gregg Erickson  
TAX POLICY COMMITTEE MEETING - September 11, 1986

TAPE 2, SIDE 1, COUNTER #238

The ELF was established in 1977 and as Mr. Monkman told you, the ELF is a tax break. The purpose of the ELF as it was established in 1977 was to reduce the tax rate. Oil producers like the ELF. Any proposal to [increase] the ELF is [not] going to win favor with the oil producers and give them more money, allow them to keep more of the proceeds of the production of oil than they keep now.

The ELF can reduce the tax rate by a lot or it can reduce the tax rate by a little depending on one major factor. And that is the average per well productivity. If the average well in a field produces 300 B per day, that field will pay a lower tax rate under the ELF, other things being equal, than if the average per well productivity in the field is 1000 B per day. The average per well productivity is always the major factor in establishing the ELF and it needs to be kept in mind. We'll be coming back to that again later.

The ELF is always a number, and the number is always between zero and one. If you like, you can think of the ELF as a percentage that's applied to the regular nominal percentage tax rate. That's another important concept.... Right now, Alaska has a nominal percentage severance tax rate of 15% for some fields and 12.25% for some fields, and some fields change around from 15 to 12.25% because of amendments to the severance tax law that were adopted in 1981 and we'll talk about those later. That nominal tax rate gets reduced by the ELF by multiplication of this number (between zero and one, remember) times the nominal percentage rate. So, if the ELF is .5 (one-half) then the nominal tax rate is reduced by a half. So, [if] the ELF is .5 and our nominal percentage rate is 15%, the effective percentage rate is half of 15%, or 7.5%. Oil companies like the ELF, it reduces their tax rate.

I think that we can understand how this works best now by taking you to the never-never land of charts and graphs.(\*). I know that it's a hard thing for some people to grasp the kind of geometric concepts we are going to be dealing with, so, Mr. Chairman, if it's alright with you, I'd be appreciative if people would interrupt me and say that they don't understand a particular concept that I'm trying to get across.

This is a picture of the Economic Limit Factor. Start out by looking at the two axes here, the two lines. The lower axis right here is...daily output per well. [It] starts out here at 50, but you can imagine it going even further down here, to zero. That means 50 B of oil per day, per well. It goes way on up here to 2500, 2800 B per day per well. The other axis on this chart is the ELF. And as I told you before, if you recall, it's a number between zero and one. [Y]ou see those numbers here, starting at 0 at the bottom, .5 in the middle and 1 at the top. If you have an oil field and the ELF is 1.0, you get no tax reduction because your nominal tax rate is multiplied times 1 which means it's not changed at all. If your ELF is .5, it's multiplied by one-half, it means you pay half of the nominal tax rate. If your ELF is 0, you pay no tax at all. Oil companies like the ELF.

You notice that fields have different average daily production, some fields have very high productivity in comparison to others. Prudhoe Bay field has, or had, because this graph was originally made about nine months ago, an average

(\* Refer to charts attached to transcript.)

daily productivity as calculated for the ELF of around 2500 B per day per well. Milne Point, on the other hand, has a lower productivity and Kuparuk has a lower productivity still. If we applied the ELF in exactly the same manner to Prudhoe Bay, to Milne Point, and Kuparuk, it affects them differently. Prudhoe Bay, because it has the highest productivity, gets the least tax break. Kuparuk, because it has the lowest per well productivity, gets the biggest tax break from the ELF. And if we had a field down in this region, it would get an even bigger tax break from the ELF.

Now we say that the ELF is a function. [T]hat means it depends on the daily output per well. That means that if you know the daily output per well you can, or at least you have been able to in the past, determine what the ELF is going to be, what number between zero and one gets multiplied times that nominal tax rate to produce the effective tax rate, which is what Mr. Nelson and his oil company people are really concerned about, the effective tax rate. And it's really what the State of Alaska is concerned about too. In terms of all the factors that we're concerned about on severance taxes, it's the effective rate that people have to pay that makes the difference, not whether the nominal rate is 15% or 30% or 2%.

Now, you'll notice that this curve has a shape that puts every point out here as we move to the right along this lower axis, we also move at every point up on the fractions of the ELF axis. Except for this region down here at the bottom, we'll be coming back to this as we calculate the ELF, but that region is the economic limit region.

The framers of the legislation in 1977, that christened the ELF, that created the ELF, decided that they wanted to insure that fields of relatively low productivity such as they expected to develop among the Cook Inlet fields at that time, would not be forced to shut down before the cost of [operating] the fields exceeded the value of the oil that was being produced. And there was a problem that Milton Lipton and many others spoke to the Legislature about and they called it the premature shut-down effect. If you had too high a tax burden at these low productivity, and presumably low profitability fields,...those fields would shut down, even though they could continue to make profits if the taxes were reduced and continue to make, at least if not profits, at least enough money to bear their operating costs and to keep the jobs and keep the economic activity represented by those fields. Economists and experts and business people alike agreed that it didn't make much sense to shut a field down before the actual cost of production exceeded the value of the oil. Taxes, and royalties too, were dead weight that had to be carried by the production of those fields and so this device was created to, at least as far as the severance tax is concerned, eliminate that dead weight drag on those fields that might otherwise shut [them] down.

We'll come back to that concept so it's not necessary that everybody grasp that in its entirety. But, I'd like to stop right now while we've got this graph in front of us and ask any member of the committee, with your permission, Mr. Chairman, if they have any questions or if there's anything I've covered so far that doesn't compute.

COUNTER #377

(QUESTION from Sen. Eliason: Just a general question, the lower level of production, there, and in fact what they're paying is only 7½% or is it the 15%, is that what we're saying.)

We're saying that Prudhoe Bay, under these assumptions, which are a little bit out of date right now, is paying 83% of, in the case of Prudhoe Bay, 15%. And Tom Chester, our expert, or maybe Mr. Nelson who probably knows a lot about Prudhoe Bay too, can give you the exact number.

(QUESTION from Sen. Eliason: The question of course, or the point was, in other words, that's the 7½%, that low production field is paying 7½% rather than the 15.)

If the nominal rate on Kuparuk was 15% that would be true. However, the nominal rate on Kuparuk is, if I am correct, 12.25%. [They're] paying half of that, that's correct.

(COMMENT from George Nelson: I want to make one correction because in Prudhoe Bay we're paying, based on one, 15% simply because of the fact that for the first ten years, by the law, the factor cannot, if it calculates out above .7, it's always going to be 1. So it's July 1987 before Prudhoe Bay can really use ELF to the advantage of reducing that percent.)

Mr. Nelson is absolutely correct. The reason, and I'm sorry I gave the misrepresentation if I did, that Prudhoe Bay's actual tax rate was reflected by this calculation, because as he says, there's a special exception in the law for Prudhoe Bay which was established in the 1981 tax amendments. But, the ELF by itself works this way, and if the ELF applies, which it does not right now to Prudhoe Bay, Prudhoe Bay would be paying 83% of whatever its nominal rate would be.

(QUESTION from Rep. Grussendorf: The ELF is based on the output per well, or site. What are advantages or disadvantages if we went by field?)

The output per well was chosen, it's my opinion anyhow, that in 1977, it was chosen by the legislature as the factor to determine the ELF because they believed that that was the most readily measurable indicator of field profitability and they wanted to have lower taxes for fields that had lower profits and higher taxes for fields that had a higher profit. But they wanted to retain the concept of a severance tax, as Mr. Monkman mentioned to you. They didn't want to create an income tax here and call it a severance tax, although, they in effect got a little bit close to that perhaps at times.

They chose this one factor recognizing, I think, that there were a lot of other factors that affect profits as well. And for example, we have here Kuparuk, which may well be a more profitable field than Milne Point, and yet the Milne Point has a very small number of relatively high productivity wells, or at least was anticipated to have that situation. And Kuparuk has a relatively larger number of lower productivity wells. As a consequence, Kuparuk gets a bigger tax break than Milne Point. That shows in effect, the arbitrariness, if you will, of just using daily output per well as the indicator of relative profitability. Because if the situation I just described is true, if Kuparuk is a more profitable field than Milne Point, then this ELF factor has not produced the results that I think the framers of the legislation in 1977 wanted to produce. And it might well be that that problem is a consequence of the failure of this ELF factor to reflect total field size. [T]here are a number of factors, indeed, besides daily output per well and total field size, that could be taken account of in an ELF kind of calculation. And the framers chose daily output per well.

(QUESTION from Rep. Sund: How is the curve generated?)

We're going to take you all through that, in excruciating detail, I'm afraid.

(QUESTION from Sen. Eliason: Could also the ELF be construed as an incentive to put more wells in a field?)

Indeed, it could be. However, there are technical provisions in the law which say that you really don't look at number of wells, you look at the number of days that a well operates multiplied. So, it's really well days that are used to try to prevent the incentive, or eliminate any incentive for gold-plating or over-drilling a field. Now, I don't know that any studies have been made to indicate whether or not there is any residual incentive or not. My

suspicion is that its minor if it is. You'll see those technical provisions when we go through the actual translation of the ELF which is coming next.

(QUESTION from Bart Garber: On your graph, the figures on the bottom line, those are constants for the formula, they don't ever change?)

The figures on the bottom line change for every field, from day to day.

(QUESTION from Bart Garber: No, I understand that, what I'm saying is as far as the formula itself goes, to determine the ELF rate, the number of barrels pumped per well don't change?)

[I don't] know if I understand your question correctly. Let me rephrase it and tell me if I'm getting back to you. Does a well this year pumping at 1300/bbl per day get exactly the same ELF this year as it will five years from now if the law doesn't change?

(QUESTION from Bart Garber: No, that's not what I meant. My question is are those figures constant there. Will you always use those figures. In other words, if a well is pumping at 1300/bbl daily output per day, I'm not saying will that well remain constant, I'm saying will that figure remain constant at wherever you're at on ELF?)

Like at .7. If you'd asked me that question last year, or 13-14 months ago, I would have said yes, absolutely. But, I would have been wrong because, as Mr. Monkman mentioned, there is a provision in the law which [was never] really thought [much about], to change this production-at-the-economic-limit number. You'll see how that enters into it later on. And it's nobody's fault but my own that I would have misanswered your question, but I think there were a lot of people who would have made the same mistake a year and a half ago.

(QUESTION from Gordon Harrison: I see a question, Gregg, to follow up on, Sen. Eliason's question about the number of wells. Is well spacing regulated, the number of wells that is, by the Oil and Gas Conservation Commission?)

Yes it is. Indeed, the Alaska Oil and Gas Conservation Commission establishes regulations and when the oil companies wish to change the average spacing, they need to get permission. However, the Commission grants or withholds that permission based on generally a reference to engineering practice rather than economic analysis. Or at least that is to my understanding.

COUNTER #523

(QUESTION from Rep. Grussendorf: Gregg, that was the concept of the formula?)

We go from the general, and that can be called general, to the formula itself. Now folks, don't automatically assume that you can't figure this out. This is the formula, the ELF here equals this mathematical construction. We're going to take you through this mathematical construction and it's not nearly as complicated as it seems. The only thing that you may find unfamiliar, and I think most of you will have had some familiarity with it, is the use of the exponent. This little 'exp' in the formula means that the expression following it is, taken together, an exponent. If you recall what any...exponent says, you raise the number to a power, and if the exponent is two, that means you multiply the number by itself. So, four squared ([a four] with a little two above it] means four times four, and that's all we're doing here, but a little more complex than that because we use fractional exponents. But, that's the principle.

The formula has in it abbreviations because if you wrote the whole thing out it would just be too long. And one of those abbreviations, the first one,... ELF,...is an abbreviation [that] stands for Economic Limit Factor. The second abbreviation is PEL. It stands for Production at the Economic Limit. Now you recall the graph we showed you just a moment ago, had a zero tax rate at [an] average daily per well production of from zero to 300 B. The concept

behind that was that it would probably take about, it's a real rough and arbitrary kind of number, but nevertheless, take about 300 B a day for an average well in the average field to make its expenses. Now there's all sorts of things that vary. [O]bviously the cost of the well can vary enormously. [A]s we've discovered, the amount of money you get from the oil can vary enormously, and all these affect how many barrels you have to produce to just cover your operating expenses. Incidentally, the operating expenses in the statute were defined very, very narrowly. But, as a rough approximation...the law says you will take 300 B unless a showing is made otherwise. And up to now, everyone has calculated their ELF using 300 B, so we use it here today in our calculation. [I]t's defined in the law as times the number of wells and times the number of days the well is operating, actually defined as well days. So that the production at the economic limit for this month for this hypothetical field which is similar to Prudhoe Bay,...would be 4,869,000 B. The concept there is that if the Prudhoe Bay owners could get 4,869,000 barrels [per month], they would at least make their expenses. So we plug that number, 4,869,000, into the formula at this point, and at the bottom down here....

The second factor in the formula is the total production for the field for the month. Since we're talking about 300 B per day, and yet the tax gets paid on a monthly basis, we have to calculate in the total number of barrels in the field per the whole month. And that's just simply the monthly production, but we've also shown it here as the result of multiplying the average number of operating wells during the month times the number of days of production for the month times the average daily production per well. And in the example here, we show 541 wells, assuming each of them operated for 30 days, and the average per well productivity was 2,477 B per well, that means they actually produced forty million barrels in that month. So, they actually produced, if this example is correct, roughly 20-25 times as much oil as is necessary under this very rough calculation to meet their operating expenses that we calculated up here in this calculation.... Remember this may not actually be enough to meet their operating expenses, or maybe much more. [I]t's what the statute says you use, and I'm explaining not anything that's in the statute when I say operating expenses, but the concept. Well, actually it is in the statute elsewhere, but it's the concept here that we're talking about.

Then we have to plug in the number of well days in the exponent, and that's calculated simply as the number of operating wells during the month times the number of days each well operates. For example, in our case here,...541 wells [times] thirty days gives us [about] 16,000 well days.

Now we come to the calculation. But let me stop right here and talk about these definitions.... Does anybody have anything that they don't understand about these definitions so far?

END OF TAPE 2, SIDE 1, COUNTER #638

TAPE 2, SIDE 2, COUNTER #001

(Beginning of tape unintelligible.)

...show us that it should be more. Up to now, it has been 300 B a day because the operators have either not come in, or if they have, have not satisfied the requirements that they satisfy.

(QUESTION from Sen. Abood: Where do the numbers (tape unintelligible) to break even?)

Three hundred. It's in the statute itself. It says "it shall be presumed to be 300/bbl per day per well, unless..." etc.

(QUESTION from Rep. Martin: Is it possible to look at this formula as a disincentive for oil production. To me, the more they produce, the more tax burden that they have. In a way, it may be worthwhile for production companies

to say let's keep it at a certain level, and therefore we know that our tax factor will be decreased.)

That's entirely possible. The formula is based, however, on the assumption that these more productive fields are more profitable. Now if that assumption doesn't hold or the higher profits are not more than enough to counterbalance the higher taxes, then your supposition could be correct.

(QUESTION from Rep. Martin: Especially at the lower price market, I can see where they want to produce as much as they want at the high prices, because they get more and more percentage of the profit. But in this flexibility we have now, what's to say that a company won't say hey, now it's our turn to pay less taxes and get more profit at the lower price market?)

Well, if I was an oil company, I [c]ould certainly say that.

Now, we have to go and plug these numbers in where...these acronyms [were]. Let's go back up and look at the formula again one more time.

\* \* \* \* \*  
[There are] two parts to the ELF formula: the exponent, which is everything within these parentheses starting here and going over to here, and the inverse function, which is everything within these parentheses starting here and going over to here.

In calculating, let's go through the inverse function first. We plug in the PEL right here, the Production at the Economic Limit, which we calculated up here, and that's 4,800,000 some barrels. We plug in the Total Production here, and that's 40 million, and we divide 40 million into 4,800,000. Now, 4,800,000 is a lot smaller number than 40 million, so the result is less than 1. It's a fraction and in this case it's .12, a little over 1/10th. After we make this division, we plug that number in right there.

Now the formula says that you take that little fraction and subtract it from 1. So we do that here, and we get the result of .8789. Now if there was no exponent, that would be the ELF. And indeed, as you will see, as we go back over the history of the 1977 session, that as originally proposed...was all there was to the ELF, was just that calculation we just made. And if that had been the case, and the ELF applied to this particular field, then the nominal tax rate would be multiplied times .8789 to produce the effective tax rate. The effective tax rate would be 88 percent, roughly, [of] the nominal rate. But for reasons that we'll come back to later, the exponent got added.

The exponent is calculated by a constant here, which is 460 (that's a dimensionless constant, it's in the formula, it's in the statute, it's plugged into anything you do with the ELF under this current law) times the number of well days, and that's 16,230, so we plug that in right there, times the PEL, which we calculated up here as some 4,800,000. We can multiply or divide these in any order we want. And [when] we do that,...divide the 16,000 by the formula, and you get a very small number, and you multiply it by 460, it gets large enough so it's always generally over 1. And the results here, if you'd want to take a calculator and do it, multiply 460 times 16,000, and divide the results by some 4,800,000, you get this number. Let me stop right there and see if people have followed me so far.

COUNTER #59

(QUESTION from Rep. Sund: Where does the 460 come in and what's the theory behind it?)

I'd like to defer that until we get into the discussions in the free conference committee in 1977, because I think that's the easiest place to bring that in, but I'll tell you right now that it was a means of...changing the shape of this curve, and it was a means basically of pushing this curve this way. We'll get back to that.

So we've got now this inverse function which has been reduced down to .87, and if it wasn't for the exponent, that would be the ELF, and we've got this exponent. Now normally, this exponent is written just a little bit above the number to which it applies, but because the exponent is so large, we use this different notation, this 'exp'. And if you look in the statute, 43.55, you will find that formula just exactly as we've written it here. The number comes out to 1.5 and probably most of you are not familiar with raising a number to a fractional power, but you can think of it like this. Suppose this exponent was 2, that would look a lot more familiar. It would say .87 squared, with a little tiny 2 right above here and that would be the same thing as we've got written here, except with this being a 2 instead of a 1.5.

Well now what happens when you multiply, usually you think when you square a number it gets bigger, like 4 squared, raised to the second power is 16. that's a bigger number than 4. Now if the number being raised to the power is less than 1 however, you're multiplying a fraction times a fraction and when you multiply a fraction times a fraction you get a number that is smaller. And, in fact, if you multiplied, if the number here was just .8, and the exponent here was 2, you would be multiplying 8 times 8, which is 64, which would make this number here not 64, but .64. In other words, it would reduce it. And that's indeed what happens here. Because this exponent is greater than one, and so if the exponent was one, it would have no effect on this number, and if it was smaller than this number it would make it bigger. But we don't have to worry about that. Basically, if you've got a calculator, plug it in and press the exponent button and it will do it for you.

The result of raising .8789 to the 1.5 power is .82. It's higher than it would be if we were raising .8 to, squaring it, and you can see how that relationship goes, I hope. This is the one part that involves mathematics that most people probably aren't familiar with, but fortunately we have calculators now [so] we [don't] have to be familiar with it.

Does anybody have any questions about the basic calculation about the ELF.

Okay, what happens when we change some of these numbers. Well I ran through three examples here just to show you quickly the results of some adjustments to this ELF calculation. [I]n this case we've increased the exponential constant. It was 460, [and] it is 460 in the statute. What if that number were 1000. Well, we've run through here, and I won't take you through it at any length because you have in front of you the printed copy of this. I've highlighted with bold numbers every number that has changed from our previous example. This number is changed, this number is changed, and this number is changed.

The result of an increase in the exponential constant is a decrease in the tax. The exponent gets larger, you take a larger exponent and apply it to the same basic ELF and the result is a smaller number. Like raising a number to the third power instead of to the second power. So, just to go over it again, if the exponential constant is increased, the tax gets decreased, and in 1977, as you'll see, this was one of things that the free conference committee which met for almost two weeks argued and argued and argued about.

COUNTER #119

(QUESTION from Sen. Abood: Was that where your 460 came in?)

The 460 was the number that previously took the place of 1000. Yes, the answer to your question is yes.

(QUESTION from Sen. Abood: I understand that. In the free conference they argued this 1000 to 460?)

Well, 1000 wasn't one of their options, but they argued the difference between 750 and 300.

(QUESTION from Sen. Abood: This was an arbitrary figure that they were trying to work out?)

They wanted this curve, as you'll see, to look the way they wanted it to. And that number, this 1000 or 460 or 300, makes a significant difference in how that curve looks and who gets hit with a tax job and who doesn't.

(COMMENT from Sen. Abood: So more is less.)

In this case, more is less. An increase in the exponential constant means a decrease in the tax. And you may not be surprised to learn that the Senate, in 1977, wanted a bigger exponent and the House wanted a smaller one.

(COMMENT from Sen. Abood: I wasn't there at the time.)

(QUESTION from Sen. Eliason: Do you have the names of the free conference committee members?)

I certainly do. (Pause) Let's take a look here at the results if the exponential constant is reduced. [It's] just the opposite, I've run it here from 460 down to 300. I've run through the calculations in exactly the same way. The exponent here becomes 1. And if you recall our earlier discussion, an exponent of 1 means that the number to which it is applied is unchanged. The result is an increase in the taxes you would expect. What happens if, remember there's another constant in the calculation, and that was the PEL here, the 300/bbl per day in our other calculation, here I show in Case 4, the results of changing that 300 to 400. Now this change could come about as...a consequence of the law being changed. The law currently says the production at the economic limit is assumed to be this calculation right here with 300. If they change the law to make it 400, the result would be as we'll show you here now. It could also come about as a consequence of the oil companies petitioning and the Dept. of Revenue approving a higher PEL allowance for a particular field. The result, I won't carry you all the way through this, just go down to the bottom, is in this case, a very small decrease in the tax. Basically we're saying here this is the amount of oil you get for free, and naturally that reduces the tax.

Now if this had been, the result here is reduction from .822, I believe, to .816, a very small reduction. But if this had been a much smaller field, and if this factor in the calculation right here had been smaller, the result could have been much more significant in terms of a tax reduction. But the principle [still] holds, and that is when the PEL constant is increased, the tax decreases. And that tends to be more important for the smaller fields, but it holds true for all fields. And I won't show you another example, because it's just the other way around. If the PEL constant is decreased, the tax increases.

That is how the tax is calculated and now it seems like the best way is to run this sort of backwards to show you how [the legislature got to this point] ([though] nobody really knows what went through the collective collegial bodies' minds when they make a decision like this). [W]hat was in the minds of the legislators who grappled with these problems in 1976 and 1977, [what were] some of things that they were thinking about? [T]o do that, I'd like to start with the tax law as it existed in 1977. This chart is actually from the 1977 session, and the axes here are the average barrels per day, the same axes that we had on our other chart, and the percentage tax rates, not the ELF here, this is the total percentage tax paid. So it's similar to what the ELF is but in this case we didn't have an ELF at the time and we're looking at the effective tax rate which, in the case of the '77 law, was the same as the nominal rate.

Let's focus on this scalloped curve right here. This is the law as it existed in 1977. It had been adopted in the 1973 special session. Some people call it the pipeline session. The law provided that the first 300/bbl of oil produced from a well during a day were taxed at 5%. And with what's an increasing block structure, which is very similar to the kind of structure that

you pay [on] your electric bills in most areas, except reversed. With electric bills, you usually pay less for the higher consumption, and in this case, the more you produce, the higher was your tax rate. Now those blocks produced this kind of scalloped appearance when they're applied to the average daily production and the rate that you're actually paying. For the next 700 B the rate was 6%. So you paid 5% on the first 300 B and 6% on the next 700 B, which meant that the average rate, which is what we're talking about here, never quite got up to 6%, because you always had this low price block down here. The next block, the final block, which was everything over 1000 B was taxed at 8% flat tax. So that if you've got it way, way out here, you eventually got close to 8%, and it was about 7.5% here around 3,500 B per day. That was the tax as it stood, so the effective rate, if you had 4,000 B per day of production, was about 7.6%. The top marginal block was 8%. Nobody was taxed more than 8%. If you were very, very productive in terms of average daily per well production, your tax rate was approaching 8%.

#### COUNTER #206

Okay, what was wrong with that? Why did the legislature want to change it? Well, I think there were two things in the minds of this special oil and gas and pipeline impact committee when they proposed what became known as House Bill 144. They wanted to reduce the tax rate for low productivity fields. This is the same kind of declining block structure under the bill that was introduced by the special committee that was formed to study this. And that bill reduced the tax rate for fields with productivities of less than about 1200-1300 B per day and increased the tax rate, substantially increased the tax rate for the high productivity fields. It was a device, a proposal that would have increased the taxes for the fields that have high average daily production and would have decreased the taxes for fields with low average daily production. Why did they want to do that? Well, clearly one thing that was in their mind and that they said in their report was that they were fearful that a 5% rate on these low blocks would cause Cook Inlet fields to shut down in some future year. They were seeing the gradual decline in productivity of the Cook Inlet fields and there was concern that that was something that they didn't want to see, they didn't want to see those jobs lost, and they didn't want to see the dead weight economic loss of shutting down a field when it was actually producing enough oil to make its cost. So they proposed that the first 100 B of oil paid absolutely no tax at all, and the next 200 B pay tax at the rate of 3% and so on, on up, so that the maximum tax rate was, if I recall correctly, 12%, it may be 12½%, I don't recall the top block. But as you can see, this was a very hefty tax increase for these more productive fields.

The Dept. of Revenue had, through 1976 and 1977, been conducting a major study of oil and gas taxes and it to this day remains a very, very useful piece of work. I have a copy with me in my briefcase back there right today in case questions come up that I can't answer, because it is even now, though somewhat out of date, a very useful document. It is primarily authored by John Messenger and his associate Tom Williams. As a result of that study and discussions within the administration and the Dept. of Law and the Dept. of Revenue, and Governor Hammond at that time, they came forward and introduced a proposed legislation that would have looked, had it been adopted, like this curve shown here. It contained an Economic Limit Factor without the exponent. Remember, in most cases, the exponent was a factor that when raised, reduces the tax.

The problem, I think, that some people saw with that was that it created too high a tax, too soon. In other words, a field here with, let's say 300/bbl of productivity would be paying tax of around 7%. That was even higher than the existing tax here and it was exactly those kinds of fields that the special oil

and gas committee was concerned with in terms of providing some tax breaks for them. Their proposal provided substantial tax breaks for every field producing less than 1300/bbl per day, that is a break in comparison with the laws that stood at that time. So there were attempts made to adjust the Economic Limit Factor...in the administration's bill. And that intent, since there were really only two factors you could adjust in that bill, one was the Production at the Economic Limit, which in their bill was 100. They said well if you don't want to lower that, let's just increase it, and so here was a, this was never introduced as a bill but was discussed as a proposal, Economic Limit Factor of 1000. Well, without the exponent, what happens is that this curve gets pushed this way, it actually gets pushed, this point gets moved to here and this curved area gets pushed down to here. That didn't produce the result that people were comfortable with either because it was felt that the result was even too big a tax break for the fields that were in this region right here. And, as well, when you gave that tax break, the result was the depression of the curve over in this region here. You couldn't avoid it if the calculation of the formula was such that if you moved this over here, this part came down as well. So, I think the desire was, and this is my guess, there was some evidence in the written record to indicate that this was what in fact was in the minds of some legislators, they wanted to give this break here, but they didn't want to give this big a break out here, and they couldn't figure out a way to do it with the Economic Limit Factor that the Dept. of Revenue had presented. And legislators kept saying, well, I'd like to use the Dept. of Revenue's formula because it's always good to get the administration's bill passed and put your amendments on the administration's ideas rather than try to do it the other way around, but they were saying, "We want a curve that incorporates the administration's formula, but one that more closely approximates what we've got here in our own bill. Can you give us an ELF factor that produces this?" And the result was the exponent because the exponent allowed you to push this part of the curve this way, to push the curve inward without pushing this part down very much, pushing this outer edge down very much.

It's interesting, some people say that these kinds of complications in law wouldn't happen if the legislature and the administration didn't have a bloated bureaucracy to dream up crazy ideas like this. And I think that's absolutely true, but it wasn't the bureaucracy that dreamed up the idea because they wanted to complicate the law, it was because the legislators and the policy makers came and said I want to accomplish a result, how do we do it? And that's how it happened that the ELF got an exponent.

#### COUNTER #302

The two bills that...ended up in free conference committee then had three things that they could adjust. The nominal rate, the exponential constant and the Production at the Economic Limit, and they also had a cents-per-barrel factor which I can get into if you like. I think it's probably worthwhile covering, but I think I'd like to reserve it for a little bit later.

In terms of the nominal rate, the house bill suggested 12.5% of value, the Senate wanted 11.5% of value, two different nominal rates which meant that the senate bill's curve headed up towards 11.5, never quite got to it, and the house bill was above it, was headed up towards 12.5, also never quite reaching it. The presumed Production at the Economic Limit in the house bill was 300/bbl per day and in the senate bill was 100/bbl per day, which was to say that the house bill gave a bigger tax break under the PEL, than did the senate bill. I think that reflected the greater concern in the House with the production problems that might in the future occur in Cook Inlet, or that were seen as a potential future problem in 1977.