

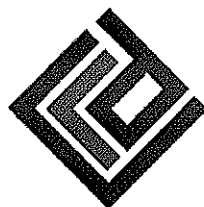
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RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

BREAKFAST MEETING

Thursday, April 7, 2016

1. Call to order – Ralph Samuels, President
2. Self Introductions
3. Head Table Introductions
4. Staff Report – Marleanna Hall, Executive Director
5. Program and Keynote Speaker:

Seafood Market Update and ASMI Activities

Alexa Tonkovich,
Executive Director, Alaska Seafood Marketing Institute

Next Meeting: Thursday, April 21st:

NPR-A Update

Nick Olds, vice president of North Slope Operations & Development,
ConocoPhillips Alaska, Inc.

Sign up for RDC e-news online!

This breakfast packet and presentation may be found online at:

akrdc.org



TOURISM



FISHERIES



OIL & GAS



MINING



FORESTRY

121 West Fireweed Lane, Suite 250, Anchorage, Alaska 99503

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ACTION ALERT

New Five-Year OCS Lease Sale Plan

Overview

The Bureau of Ocean Energy Management (BOEM) recently announced the new five-year Outer Continental Shelf (OCS) Oil and Gas Leasing Program for 2017-2022. The Proposed Program evaluates 13 potential lease sales in six planning areas, including three potential sales off the coast of Alaska.

Release of the Proposed Program is one of several steps in a multi-year process to develop a final offshore leasing program for 2017-2022. Before the Proposed Program is finalized and before any lease sales occur, BOEM will consider another round of public input on the proposal and its accompanying Draft Programmatic Environmental Impact Statement (EIS).

The Proposed Program evaluates one potential sale each in the Chukchi Sea, Beaufort Sea, and Cook Inlet planning areas, while taking comment on other options, including an alternative that includes no new leasing, as well as other measures to further restrict exploration and development, including closures labeled as “environmentally important areas” in the EIS.

Action Requested

BOEM will accept comments for 90 days on the Proposed Program and for 45 days on the EIS. Comment deadline on the EIS is May 2nd and June 16th on the Proposed Program. We need to defend the Alaska lease sales and show strong support that Alaskans do in fact support OCS development. Even though the lease sales in Alaska are not scheduled until late in the new proposed five-year lease plan, we need to make sure BOEM doesn't remove Alaska like they have done to other regions.

Submit comments online: <http://www.regulations.gov>. In the search tab on the main page, enter BOEM-2016-0003. Locate the document, then “Submit a Comment.”

By mail: Ms. Kelly Hammerle, Five-Year Program Manager, BOEM 45600 Woodland Road, VAM-LD, Sterling, VA 20166.

Points to consider for your comments:

- Over 72% of Alaskans have supported offshore development. (*Consumer Energy Alliance poll, October 2014*)
- BOEM lease sales provide some level of predictability and certainty for industry to engage in long-term strategies to develop the Arctic's vast resources, which according to the USGS could contain 90 billion barrels of oil, 1,669 trillion cubic feet of gas and 44 billion barrels of natural gas liquid.
- Specifically, the Alaskan OCS possesses enormous untapped oil and gas resources, with Department of Interior estimates for the Chukchi Sea alone to be approximately 27 billion barrels of oil and 132 trillion cubic feet of natural gas.
- The Alaskan Arctic OCS would constitute the 8th largest oil resource in the world, ahead of Nigeria, Libya, Russia and Norway.
- These untapped resources are of critical importance to both Alaska and the United States. Oil and gas development in the Arctic OCS is predicted to produce an annual average of 35,000 direct and indirect jobs over the next half century for Alaska alone. Those jobs would represent a total payroll of over \$70 billion.
- Economic activity resulting from Arctic OCS development is also predicted to generate an annual average of nearly 55,000 jobs nationwide, with an estimated cumulative payroll amounting to \$145 billion over the same time period.

- From an economic standpoint alone, promoting and fostering Arctic OCS development would represent a windfall for the national economy. Similarly, in 2008, Lease Sale 193 netted the federal government greater than \$2.6 billion in bonus bids, and, moving forward, revenues generated from Arctic OCS oil and natural gas resources could amount to nearly \$200 billion in revenues to federal, state and local governments.
- Offshore development would also serve to help maintain the integrity of the Trans-Alaska Pipeline System (TAPS), a critical link to America's energy distribution. TAPS has safely transported more than 17 billion barrels of oil since it came online over 35 years ago.
- Twenty-five years ago, North Slope oil production exceeded two million barrels a day, which accounted for a quarter of domestic crude oil production. However, TAPS throughput has now declined to approximately 500,000 barrels per day. Given the vast resources available in the Arctic OCS, future production could stem the decline, allowing for TAPS to remain viable for decades.
- OCS development would also serve as an important factor in reducing economic risks for the proposed Alaska LNG Project.
- Oil and gas development in the Arctic OCS could ultimately prove indispensable, given forecasts that predict this nation's energy demands increasing over ten percent in the next quarter century. Even with dramatic increases in alternative energy sources, the majority of these growing energy demands will continue to be satisfied through use of fossil fuels.
- It remains imperative that this nation meet its growing energy demands through domestic production. There may be no greater tangible benefit to Arctic OCS development than greater energy independence.
- Industry that is currently operating in Arctic Alaska has taken great strides to coexist with the people of the Arctic and subsistence hunters.
- Newly instituted technologies will further ensure that development and environmental protection can coexist in the Arctic.
- In the past decade, over 250 studies have been funded in the Arctic, with the majority focused on the Beaufort and Chukchi Seas. Many of these studies would not be available without the industry.
- Leasing and subsequent Arctic OCS exploration and development would bring much-needed infrastructure to the region and would also provide additional response capabilities in an area where shipping and other activities are increasing.
- For the benefit of Alaskans and the nation, BOEM is encouraged to continue to include Alaska leasing opportunities in the final plan for the Chukchi and Beaufort seas, as well as Cook Inlet.

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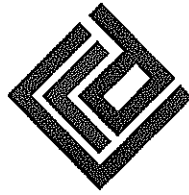
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RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

April 5, 2016

Ms. Kelly Hammerle, Five-Year Program Manager
Bureau of Ocean Energy Management
45600 Woodland Road, VAM-LD
Sterling, VA 20166.

Dear Ms. Hammerle:

The Resource Development Council for Alaska, Inc. (RDC) is writing in support of including Alaska lease sales in the final program for the Chukchi and Beaufort seas, as well as Cook Inlet.

RDC is a statewide business association comprised of individuals and companies from Alaska's mining, oil and gas, forest products, tourism and fisheries industries. RDC's membership also includes Alaska Native Corporations, local communities, organized labor, and industry support firms. RDC's purpose is to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

RDC urges the Bureau of Ocean Energy Management to continue to include Alaska lease sales in the final program for the Chukchi and Beaufort seas, as well as Cook Inlet.

The importance of oil and gas to Alaska cannot be overstated. Oil production accounts for more than one-third of the economic activity in the state. It provides and funds thousands of private and public sector jobs, as well as critical public services.

In addition to boosting economic growth and generating tens of thousands of jobs across Alaska, offshore development will help extend the life of the Trans-Alaska Pipeline, which continues to play a critical role in our nation's energy security.

Throughput in the TAPS peaked at 2.1 million barrels per day in 1988 and the pipeline is now running at three quarters empty. With its enormous resource potential, the Alaska OCS likely contains enough oil to at least double TAPS throughput, extend the longevity of the pipeline, and sustain our state's economy for decades.

Alaskans agree that exploration, development, and production of offshore Arctic energy resources should move forward. In a 2014 poll, 73 percent of Alaskans supported Alaska's OCS development.

Additionally, the Alaska OCS is an important future source of U.S. energy supply. The potential reserves offshore Alaska is more than all the current total proven U.S. conventional oil reserves. Alaska could have the ninth largest oil resources in the world – ahead of Nigeria and Libya – if access is granted to these potential reserves.

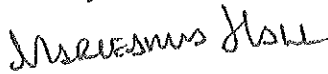
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RDC and many Alaskans share President Obama's view that America needs to conserve more and put new emphasis on renewable and alternative energy. By doing so, the nation can ultimately break its reliance on foreign oil. Yet America still needs to pursue new oil and gas production, given the fact it will take decades before renewable energy becomes a dominant energy source. Moreover, Alaska OCS production will help offset a projected sharp decline in shale oil production in the coming decades.

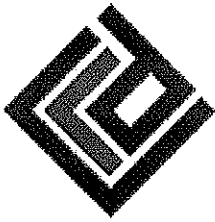
RDC respectfully urges BOEM to continue to include Alaska leasing opportunities in the final plan. Reasonable regulation and advancing technologies ensure that development of these resources can proceed safely.

Thank you for the opportunity to offer initial comments, RDC's full comments will be submitted before the June 16, 2016 deadline.

Sincerely,



Marleanna Hall
Executive Director



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

ACTION ALERT

Comment and testify on the Nanushuk Project

Comment Deadline: May 1, 2016

Overview:

Armstrong and Repsol E&P USA, Inc. are proposing to develop the Nanushuk project, located approximately 52 miles west of Deadhorse and seven miles northeast of Nuiqsut. The conventional onshore field, utilizing proven arctic technology, is east of the main channel of the Colville River. The field could ultimately prove to be one of the largest on the North Slope.

Up to 76 production and injection wells would be drilled in multiple phases from three drill sites. Construction would include the Nanushuk Pad, which would include a central processing facility; additional drill sites and an operations center pad. A tie-in pad would be constructed adjacent to an existing Kuparuk facility. The project would include 11 miles of gravel infield roads and a 14-mile gravel access road to provide all-season ground transportation between the Nanushuk Pad and the existing road system at Kuparuk.

During construction, up to 600 employees will be housed in temporary camps. Construction is expected to take four years with a minimum of five years of development drilling. First oil is expected three to four years following issuance of all permits, and the project could produce up to 120,000 barrels per day. Assuming timely regulatory approval, the Nanushuk project could bring in \$5 billion in new investment activity over six years.

The U.S. Army Corps of Engineers (Corps) intends to prepare an Environmental Impact Statement (EIS) to identify and analyze the potential impacts associated with the development of the Alpine C and Nanushuk reservoirs, including construction and operation of the proposed project. The Corps will be evaluating a permit application for work under Section 10 of the Rivers and Harbors Act and section 404 of the Clean Water Act. The EIS will be used to support the permit decision in compliance with the National Environmental Policy Act (NEPA). Part of the EIS process will be to identify reasonable alternatives and document potential positive or negative environmental effects of the proposed project.

Additional information on the project is available at:

<http://www.nanushukeis.com/projects/nanushukeis/index.html>

Requested Action:

The Corps previously held scoping meetings in Barrow and Nuiqsut, and will hold meetings in Anchorage, and Fairbanks. Please plan to attend and express your support for the project.

Anchorage: March 28, 6:00 p.m. to 8:00 p.m.

Crowne Plaza Hotel, 109 West International Airport Road

Fairbanks: March 31, 6:00 p.m. to 8:00 p.m.

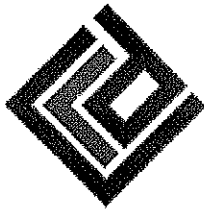
Fairbanks Training Center, 3600 Cartwright Court

Submit written comments to Ms. Janet Post, U.S. Army Corps of Engineers, Regulatory Division CEPOA-RD, P.O. Box 6898, JBER, AK 99506-0898; by email: janet.l.post@usace.army.mil, or online: NanushukEIS.com.
Deadline for submittal of written comments is May 1st.

Points to consider for your testimony:

- The \$5 billion Nanushuk prospect is an important and positive development for Alaska and could be one of the most significant discoveries on the North Slope since the discovery of the Alpine oil field.
- Alaska's economic lifeline, the Trans-Alaska Pipeline System (TAPS), is now running at three-quarters empty. The Nanushuk project has the potential to produce up to 120,000 barrels of oil per day, significantly increasing TAPS throughput and revenues to the State of Alaska.
- State and local spending of taxes and royalties paid by the oil and gas industry directly creates jobs in the public sector and indirectly creates jobs throughout the private sector.
- The project would generate significant long-term business and economic activity and up to 600 North Slope construction jobs for Alaskans. In addition, 60 direct jobs would be created in Anchorage and two rigs supporting development for five years each would generate 120 to 150 jobs per rig, and more through fabrication, logistics, and indirect jobs. For each direct oil industry job, 20 additional jobs are generated in the Alaska economy.
- The Nanushuk project is located near existing industry infrastructure, minimizing potential environmental impact.
- Thanks to continuing improvements in technology, practices, and oversight, the oil industry has demonstrated that North Slope energy development and environmental stewardship can and do coexist.
- Industry has a proven track record of responsible development in environmentally-sensitive areas, protecting the environment, wildlife and subsistence needs of local residents.

Deadline: May 1, 2016



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

Testimony of Resource Development Council
Carl Portman, Deputy Director
Scoping comments on the Nanushuk Project
Before U.S. Army Corps of Engineers
Anchorage, AK
March 28, 2016

Good evening. My name is Carl Portman, Deputy Director of the Resource Development Council (RDC). RDC is supportive of the Nanushuk project, which could ultimately prove to be one of the largest fields discovered on the North Slope.

RDC is a statewide, non-profit, business association comprised of individuals and companies from Alaska's oil and gas, mining, timber, tourism and fisheries industries. Our membership also includes Native regional and village corporations, local governments, organized labor and industry support firms. RDC's mission is to help grow Alaska's economy through the responsible development of natural resources.

New oil production from Nanushuk could add up to 120,000 barrels of oil per day into the Trans-Alaska Pipeline System, Alaska's economic life-line that is now running at three-quarters empty. TAPS and Alaska desperately need more oil production and Nanushuk has the potential to deliver significant new volumes.

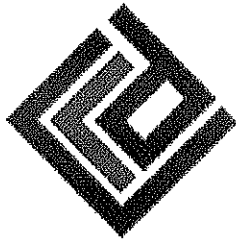
The \$5 billion project is a vital to Alaska's depressed economy. Nanushuk could be one of the most significant discoveries on the North Slope since the discovery of Kuparuk and Alpine fields.

The project would generate significant long-term economic activity with up to 600 North Slope construction jobs and at least 60 direct jobs in Anchorage. For each direct oil industry job, 20 additional jobs are generated across the Alaska economy.

Given the Nanushuk project is located near existing infrastructure, environmental impacts are likely to be minimal. With evolving improvements in technology, best practices, and oversight, the industry has demonstrated that North Slope energy development and environmental stewardship can and do coexist.

In conclusion, RDC is confident this project can move forward in a way that protects the environment, wildlife, and the subsistence needs of local residents. The project has the potential to significantly boost TAPS throughput, create new jobs, generate needed revenues to the North Slope Borough, the state, and federal government, while reducing America's dependence on imported oil. These and other major economic benefits of the Nanushuk project to Alaska and the nation should be fully acknowledged in the proposed environmental impact statement.

RDC is confident the Nanushuk project can be developed in a responsible and safe manner. Thank you for the opportunity to express our support for this important project.



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

House Resources Committee • CS HB 247 Oil Tax Bill
April 2, 2016 • Anchorage LIO

Good afternoon. My name is Marleanna Hall, and I am the executive director of the Resource Development Council. RDC is a statewide trade association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, fisheries and tourism industries. RDC members are truly the life-blood of Alaska's economy. We believe the best approach to expand the economy and generate new revenues for the state is to produce more oil, attract more tourists, harvest more fish, and mine more minerals.

With regard to Committee Substitute HB 247, raising taxes on companies that are reporting record losses and are in negative cash flow is not sound fiscal policy.

Increasing taxes on our natural resource industries will not increase production for the Trans Alaska Pipeline System, it will not encourage the development of new mines in Alaska, it will not attract more tourists, and it will not increase investment in the fishing industry. Higher taxes in this low-priced commodity environment will likely deter investment and lead to lower state revenues and a weaker private sector over the long run.

The oil industry is struggling with low oil prices and tight capital markets. Companies are cutting budgets and making tough investment decisions. Increasing taxes on the industry at this time will jeopardize new investment, further damaging our private sector economy.

Changing the tax regime now will make a bad situation worse. But a little good news: A release issued by the Alaska Oil and Gas Association just this morning announced more proof of the current tax regime working. It said, "public data provided by the State of Alaska shows an almost one percent increase of year-over-year oil production during the past 12 months."

When you incentivize something, you get more of it. We need to incentivize the industry to drill more, create more wealth, create more activity, and aim for next year's production to be even higher than this year's.

The current tax policy has brought new exploration, jobs, and continued investment to the state. It has stabilized North Slope production and has somewhat shielded Alaska from the massive cut backs that have occurred elsewhere. Following the enactment of the new tax law in 2013, Alaska saw \$5 billion in new investment across the state from legacy companies to new companies that have made big investments in good faith under the current regime.

The oil industry is truly the foundation of Alaska's economy and keeping it strong is the key to sustaining the private sector, Alaskan jobs, state government, and the overall economy.

Conversely, this bill moves us in the wrong direction. It represents the sixth major tax change in Alaska in the last 11 years.

My members are not asking for a tax decrease during this time of low commodity prices like other states and countries are considering, but we do request that as the state considers changes to tax policy, it do no harm to the state's largest industry.

Co-chairs and members of the House Finance Committee, I thank you for the opportunity to offer RDC's perspective on CS HB 247 today and urge you to reject this legislation.



121 W. Fireweed Lane, Suite 207
Anchorage, Alaska 99503-2035
Phone: (907) 272-1481 Fax: (907) 279-8114
Kara Moriarty, President/CEO

2016- 4
Contact: Sarah Erkmann, (907) 441-1899 or erkmann@aoga.org

State data shows first year-over-year oil production increase in almost 15 years

ANCHORAGE- April 2, 2016- In a welcome development, the Alaska Oil and Gas Association (AOGA) announced today that public data provided by the State of Alaska shows an almost one percent increase of year-over-year oil production during the past 12 months. This is the first such production increase since 2002.

“This is a powerful testament to what a competitive tax policy can do for oil production,” said Kara Moriarty, AOGA president and CEO. “What is especially noteworthy about the production increase is that it happened during a period of low oil prices. Despite that challenge, Alaska saw enough investment to realize the first production increase in almost 15 years. It also proves that continued, sustained decline **can** be reversed given the right investment climate.”

State of Alaska data shows a 0.87 percent increase in average daily production over the past 12 months (April 1, 2015-March 31, 2016) versus the same period in 2014-2015, or an increase from 508,047 barrels per day average to 512,456 barrels per day.

This announcement comes at a time when the oil and gas industry is again being targeted for a tax increase. Today, the House Finance committee is hearing testimony on the Committee Substitute for House Bill 247, Governor Walker’s oil and gas tax bill. The governor’s bill seeks a tax increase despite companies being cash flow negative at low oil prices.

The State of Alaska’s oil production numbers are found at the “ANS Monthly Production” link: <http://tax.alaska.gov/programs/oil/production.aspx>.

AOGA is a professional trade association whose mission is to foster the long-term viability of the oil and gas industry in Alaska for the benefit of all Alaskans. More information about the organization can be found at www.aoga.org, on Facebook (AlaskaOilAndGas), twitter (@AOGA), and Instagram (AlaskaOilAndGas).

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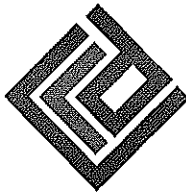
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RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

April 4, 2016

Representative Dave Talerico, Co-Chair
Representative Ben Nageak, Co-Chair
House Resources Committee
Alaska State Capitol
Juneau, AK 99801

RE: CSSB 32, State Timber Sales

Dear Co-chairs Talerico and Nageak:

I am writing on behalf of the Resource Development Council of Alaska for Alaska, Inc. (RDC) to support passage of CSSB 32, an Act relating to the sale of timber on state land.

RDC is a statewide business association representing forestry, oil and gas, mining, tourism, and fishing industries. Our mission is to grow Alaska through responsible resource development. RDC supports policies aimed at ensuring a reliable and economical long-term State and federal timber supply.

In the decades since the State's timber sale authorizing statutes were last amended, the demand for wood fiber from State lands for energy purposes has increased significantly. As a result, wood fiber for biomass energy has grown into an important component of forest products from State timber sales.

What has also changed over the past decades is the dependence of our remaining Southeast Alaska mills on timber sales from State lands. In some circumstances negotiated State timber sales have been absolutely essential in keeping what is left of our remaining manufacturing capacity operating.

RDC agrees with the administration that competitive timber sales are the preferred means of selling timber under most conditions. However, some circumstances warrant the flexibility of offering negotiated sales in order to ensure a reliable supply of raw material to mills. The State of Alaska Department of Natural Resources (DNR) has a good track record of limiting its negotiated sales to those circumstances where it is clearly in the State's best interest, and the added flexibility afforded to the DNR Commissioner by this surgical statutory revision will provide needed flexibility required by today's realities of timber supply and markets.

By giving the DNR Commissioner added flexibility in offering negotiated sales and clarifying that users of wood fiber are also eligible for negotiated sales, the State will have tools appropriate to conditions that frankly were not part of the timber supply landscape when State's timber sale statutes were last revised.

121 West Fireweed Lane, Suite 250, Anchorage, Alaska 99503
Phone: 907-276-0700 • Fax: 907-276-3887 • Email: resources@akrfdc.org • Website: akrfdc.org

These amendments support recommendations of the 2012 Alaska Timber Jobs Task Force. The task force recommendations were developed with input from leaders in the timber industry and have been endorsed by the Alaska Board of Forestry.

In conclusion, the basic premise of the bill is to remove the constraints on negotiated timber sales and to allow longer-term timber sales where it is appropriate. Passage of this bill will help keep our members in the forest products industry in business. The current restrictions limit the DNR to negotiating only with certain sawmills.

RDC urges you to pas CSSB 32 from the committee, and thanks you for the opportunity to provide comments.

Respectfully,

A handwritten signature in black ink, appearing to read 'Carl Portman', written in a cursive style.

Carl Portman
Deputy Director

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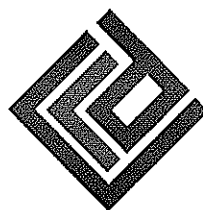
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RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

March 18, 2016

Department of Natural Resources
Division of Mining, Land & Water
Program Support Section
550 W. 7th Ave., Ste. 1070
Anchorage, AK 99501-3579

Via email to dnr.water.regulation@alaska.gov

RE: Notice of Public Scoping for Possible Updates and Revisions of DNR Regulations Under Administrative Order 266 11 AAC 93, Water Management

To Whom It May Concern:

The Resource Development Council of Alaska for Alaska, Inc. (RDC) is writing to comment on the Department of Natural Resources' (DNR) scoping for revisions to the water management regulations.

RDC is a statewide business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, tourism and fisheries industries. RDC's membership includes Alaska Native Corporations, local communities, organized labor, and industry support firms. RDC's purpose is to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

First, thank you for the opportunity to provide comments. Second, RDC writes in support of the five recommendations made in the technical comment letter by the Alaska Miners Association (AMA) submitted on March 18, 2016. RDC supports policies aimed at ensuring a reliable process, and advocates for timely and efficient permitting processes based on sound science and feasibility.

In addition to supporting AMA's comments, RDC notes that if further regulations or revisions to existing regulations are proposed, we will work with our members to provide meaningful feedback from the regulated community. Collaborating with affected groups will result in clearer, more effective regulations that allow for productive project development in the State while enhancing the State's management of resources.

Thank you again for the opportunity to comment. We look forward to further opportunities to offer comments and support.

Sincerely,

Marleanna Hall
Executive Director

Founded 1976

Executive Director
Marleanna Hall

2015-2016

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Shannon Price

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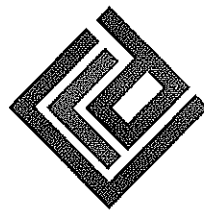
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RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

February 22, 2016

Dear Alaska Policy Maker:

The Resource Development Council for Alaska, Inc. (RDC) is writing to share our 2016 Policy Positions.

RDC is a statewide business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, tourism and fisheries industries. RDC's membership includes Alaska Native Corporations, local communities, organized labor, and industry support firms. RDC's purpose is to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

We appreciate efforts made by you and many others to achieve a sustainable fiscal plan. We believe Alaskans, like ourselves, will be best served with a sustainable budget, first and foremost. In January, many of RDC's 78 member, statewide board travelled to Juneau to express our concerns for the Alaskan economy. The board, as well as our hundreds of member companies, is concerned with the state fiscal situation.

For more than 20 years, RDC has advocated for a long-term fiscal plan, including efforts to limit unrestricted General Fund spending to a sustainable level, support some use of the Permanent Fund earnings as part of a fiscal plan, and tax policy and incentives that encourage future investment in Alaska's resource industries. Most importantly, Alaska needs a plan that grows the pie bigger, rather than fighting over crumbs from a shrinking pie. This means maximizing investment in all of our natural resource industries to increase production and the creation of wealth, jobs, and economic opportunity. Achieving this requires prudent use of earnings from state investments, and increasing private sector investment in our natural resource industries - rather than chasing away investment dollars through an ongoing series of tax and fee increases, increasing regulatory burdens, and associated actions and policies which make us less competitive for global investment.

The state's operating budget is on an unsustainable path, and operating expenditures of all state agencies need to be prioritized. Unrestricted General Fund spending increased for 10 years while revenues fell.

It may be politically challenging for Alaska to fix the budget this session, but we must find a path to sustainability.

Support efficiencies in state spending to sustainable levels

RDC encourages you to seek ways to reduce state spending. We support further efficiencies in state government, and encourage you to work with the Governor in prioritizing and finding further reductions to achieve a sustainable level of spending.

121 West Fireweed Lane, Suite 250, Anchorage, Alaska 99503

Phone: 907-276-0700 • Fax: 907-276-3887 • Email: resources@akrfdc.org • Website: akrfdc.org

Permanent Fund earnings

The state budget can be compared to a two-income household – revenues derived from the development of natural resources and financial returns on investments. Given budget reductions and taxes will not close the budget gap alone, Permanent Fund earnings will need to be used, but only in a sustainable manner.

Consider broad based taxes, but don't shrink the economic pie

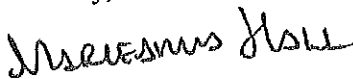
As a last resort, after budget reductions and sustainable use of the Permanent Fund earnings, broad-based, equitable taxes on hard-working Alaskans and Alaskan businesses should be considered. The effects of a broad-based tax on Alaskans and businesses, particularly in rural Alaska, must be fully reviewed and unintended consequences considered.

Taxes on industry, while politically easier to achieve, risk shrinking our economy and the revenue pie, making things worse in the long run. Continuing to incentivize growth in the private sector will strengthen the foundation of Alaska's economy and grow the revenue pie for the state over the long run. A strong and growing private sector should be a priority. When the private sector is healthy and growing, the State of Alaska will prosper.

It is not RDC's role to tell policy makers specifically where to cut the budget, but to offer support to those who show leadership and help achieve a long range, sustainable fiscal plan. RDC encourages you to work together with the governor and your colleagues toward solving the state's ongoing fiscal imbalance. We promise you our support and participation.

Again, RDC appreciates your service, and we look forward to working with the Administration and legislature to find solutions for Alaska's future.

Sincerely,



Marleanna Hall
Executive Director

Enclosure: RDC's 2016 Policy Positions

2016 Resource Development Council Policy Positions

TOP LEGISLATIVE PRIORITIES

- Advocate to limit unrestricted general fund spending to a sustainable level.
- Advocate for tax policy and incentives that enhance the State of Alaska's competitiveness for all industries.
- Support efforts to bring more accountability to the appeals and litigation processes for community and resource development projects.
- Encourage the State to promote and defend the integrity of Alaska's permitting process and advocate for predictable, timely, and efficient state and federal permitting processes based on sound science and economic feasibility.
- Support policies to encourage new exploration and development of Alaska's mineral and energy deposits, as well as enhanced production from existing operations.

General Issues

Fiscal Policy & Planning

- Advocate for tax policy and incentives that enhance the State of Alaska's competitiveness for all industries.
- Advocate for implementation of a comprehensive, responsible, and long-range state fiscal plan.
- Advocate to limit unrestricted general fund spending to sustainable level.
- Support some use of the Permanent Fund earnings as part of a fiscal plan.
- Oppose efforts to enshrine the Permanent Fund Dividend in the Alaska Constitution.
- Encourage and support foreign and domestic private sector investments in Alaska's resource industries and manufacturing.

Access

- Advocate for increased access to and across public lands for resource and community development.
- Advocate for multiple-use of public lands.
- Advocate for the state's rights on navigable waters and submerged lands.

Regulation/Permitting

- Support efforts to bring more accountability to the appeals and litigation processes for community and resource development projects.
- Encourage the state to promote and defend the integrity of Alaska's permitting process.
- Encourage the state to use all available avenues to ensure reasonable and predictable decision making under the CWA Section 404 permit program including establishment of an industry/state government working group to identify and implement Alaska solutions to wetlands mitigation.
- Advocate predictable, timely, and efficient state and federal permitting processes based on sound science and economic feasibility.
- Provide adequate resources to permitting agencies for personnel, research, and science.
- Support the State of Alaska's efforts to challenge unwarranted Endangered Species Act listings and proposed critical habitat designations.
- Support reasonable mixing zones for resource and community development.
- Support efforts to reduce federal interference and devolve more authority to the states.

Infrastructure

- Support transportation and power projects that enhance resource and community development activities.
- Encourage development of new electrical generating and transmission systems to provide stable sources of electricity for economic development and existing consumers.
- Support efforts stimulate investment in power and transportation infrastructure by catalyzing private partnership investment through the public-private-partnership (P3) model.

Education

- Support programs, including the Alaska Resource Education program, to educate students and the general public on responsible resource development activities in Alaska.
- Support efforts to provide for a skilled and trained Alaska workforce necessary to support resource development industries.

Industry Specific Issues

Oil & Gas

- Support tax policies that establish a competitive tax structure and incentives to increase the exploration, production and development of all Alaska's oil fields (new and existing).
- Support policies to establish a competitive tax structure and legislative and administration efforts to increase the commercial viability of developing Alaska's natural gas resources.
- Advocate for access to and development of oil and gas resources on federal lands; including the coastal plain of ANWR, NPR-A, and the Alaskan OCS.
- Advocate for federal revenue sharing and/or community impact assistance to maximize benefits of OCS development to Alaska.

Mining

- Encourage the expansion and increased production from existing deposits as well as new exploration and responsible development of Alaska's mineral resources.
- Advocate for continuation and expansion of airborne geophysical mapping and the on-the-ground follow up work required to realize the full benefits of the program.
- Support the State's efforts to maintain control of reclamation bonding.

Fisheries

- Support policies that ensure healthy, sustainable commercial, sport and subsistence fishery resources; access and markets for Alaska fishermen, sport charter businesses and coastal communities; including a reasonable and stable regulatory environment.
- Support funding of fisheries and marine mammal research.
- Encourage programs that not only manage but in fact enhance the State's fisheries resources.

Forestry

- Advocate for a reliable and economical long-term state and federal timber supply.
- Support funding and enforcement of the Alaska Forest Practices Act.
- Encourage funding of forest management initiatives that address long-term forest health and reforestation.

Tourism

- Advocate for a positive business environment to promote continued growth of the cruise and tourism industries in Alaska.
- Advocate for equitable environmental laws for cruise ships.
- Advocate for additional aircraft landing sites and reduced restrictions on over-flights.
- Support South Denali infrastructure development to provide for a variety of visitor experiences and help accommodate future visitor needs in the region.
- Advocate for the reinvestment of a portion of visitor industry-related revenues to market Alaska as a destination.

Energy

- Support simplified leasing and efficient permitting of non-conventional fuel resources to encourage development of the state's resources and provide energy to local areas.
- Support utilization of Alaska's coal resources for value-added industries and power generation in addition to export to international markets.
- Support efforts to diversify Alaska's energy sources, including known renewable energy options.



FOR IMMEDIATE RELEASE

No. 16-24

Contact:

Katie Marquette, Press Secretary – (907) 465-5801

Aileen Cole, Deputy Press Secretary – (907) 269-7458

Governor Walker Applauds U.S. Supreme Court Decision in Sturgeon Case

March 22, 2016 JUNEAU – Governor Bill Walker and Attorney General Craig Richards applauded the United States Supreme Court today for its decision in the *Surgeon v. Frost* case. At a press conference with members of the Alaska Legislature in Juneau, Governor Walker stressed the importance of the Supreme Court's interpretation of the Alaska National Interest Lands Conservation Act (ANILCA) and the issue of protecting state rights.

"The U.S. Supreme Court today unanimously reversed the Ninth Circuit's ruling in *Sturgeon v. Frost*. All the U.S. Supreme Court justices, conservative and liberal, recognized Alaska's unique circumstances and ANILCA's role in safeguarding Alaska's sovereignty," said Governor Bill Walker.

In an 8-0 opinion, the Supreme Court sided with Alaska resident John Sturgeon, who challenged the National Park Service's ban of hovercraft use on all navigable waters, including state-owned navigable waters. The case will now be sent back to the Ninth Circuit to re-evaluate the case in light of today's decision. At that time, the lower court will address a number of important questions under new guidance from the Supreme Court, including recognition of ANILCA and management of state resources. The State of Alaska is continuing to evaluate today's opinion.

In the Court's own words, "ANILCA repeatedly recognizes that Alaska is different" and ANILCA's "Alaska-specific provisions reflect the simple truth that Alaska is often the exception, not the rule" when it comes to the Park Service's general land management authority.

"I want to personally thank John Sturgeon for pouring his own personal time and resources into this case," said Governor Walker. "I am pleased that the U.S. Supreme Court has vindicated Mr. Sturgeon's perseverance. In passing ANILCA, Congress acknowledged the exceptional realities of Alaska requiring an important role for the State in making resource management decisions."

This case gave Alaska the rare opportunity to argue before the nation's highest Court during oral arguments in Washington, D.C. In her arguments to the Supreme Court, Alaska Assistant Attorney General Ruth Botstein explained that Alaska's sovereign authority over its lands and waters was both instrumental to Alaska's statehood and was essential to allowing the State to help meet the needs of its people. Alaskans rely on the State's abundant resources in ways that are unparalleled in the rest of the country. They use and access the state's lands and waters to provide for their families, to travel to and from their homes, to stock and purchase essential winter fuel and other everyday supplies, and to recreate.

"The State was pleased to partner with and support Mr. Sturgeon in bringing these issues to the Court's attention," said Attorney General Richards. "We are proud that in unanimously reversing the Ninth Circuit's decision, the Supreme Court has given voice to Alaska's exceptional way of life."

Attached: U.S. Supreme Court opinion *Sturgeon v. Frost*

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