



HOW YOU CAN HELP:

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ALASKA CAN NO LONGER KICK ITS FISCAL CRISIS DOWN THE ROAD

For the past 40 years, oil has paid our bills. But times have changed. Oil production is a mere shadow of its peak and our pipeline is three-quarters empty. Oil prices are low and are expected to stay low in the near term.

The combination of low prices and low production has slashed state revenues by 80% and thrown our state into recession. We've used our reserves to keep government running ... but we're rapidly running out of cash.

WE NEED A SOLUTION AND WE NEED IT NOW BECAUSE ...

You can't keep spending \$4.7 billion/year when you're only taking in \$1.3 billion in revenues.

If most of your revenue and most of your jobs come from the resource industries, you can't tax away their incentive to invest and expect to have a sustainable economy.

THE SOLUTION TO OUR FISCAL CRISIS IS NOT THAT HARD. WE CAN DEVELOP A DURABLE AND SUSTAINABLE FISCAL PLAN BY:

- » Continuing to cut the cost of state government
- » Using a sustainable percentage of Permanent Fund earnings to fund state services
- » Reducing the PFD
- » Increasing revenue, if necessary, by some combination of taxes
- » And maintaining stable and competitive taxes on our resource industries

TELL YOUR LEGISLATORS TO SUPPORT A SOLUTION NOW



Photo: Alyeska Pipeline Service Company

WHO WE ARE:

KEEP Alaska Competitive is a 501(c)(6) organization composed of individual Alaskans, Alaska Native organizations, businesses and labor groups who care deeply about our long-term economic future. We do not take contributions from oil producers.

OUR MISSION:

To promote investment in resource development and secure Alaska's economic future by advocating for a durable, sustainable and balanced state fiscal plan that provides for stable, competitive tax policies.

OUR TAX POLICY IS PRODUCING RESULTS

For the first time in 14 years, North Slope production increased last year, thanks to the passage of tax reform and Alaskans saying yes to stability by voting to keep SB 21.

In response, the industry continued to invest in Alaska despite its economic challenges.

It takes an annual industry investment of \$3-4 billion to keep production levels stable on the North Slope. That requires a durable and competitive tax policy.

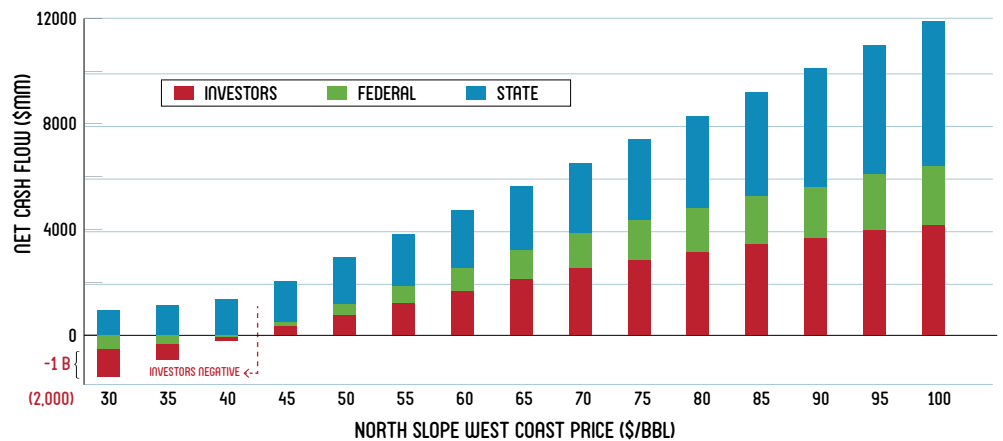
That means stop changing production taxes every other year – and not trying to balance the budget on the backs of the resource industry.

We also need to increase production. That's a long-term goal. While we have lots of new oil, it takes years and years and billions and billions of investment to bring new prospects into production. In the past year alone, the industry has announced new discoveries that could put 550,000 barrels of new oil into the pipeline.

Investors won't put their money in Alaska if they believe we are going broke, don't honor our commitments, won't let them earn a fair return and keep changing the rules.

WHAT IS ALASKA'S SHARE OF OIL REVENUES?

Under our current oil tax policies, Alaska's share is higher than the producers' at every price point. In fact, the state gets paid even when producers are operating at a loss because it still collects royalty, property tax, income tax and a minimum production tax.



OUR EXISTING TAX STRUCTURE IS WORKING

Stable tax policies and a balanced fiscal plan are the foundation for a strong Alaska.

NORTH SLOPE PRODUCTION HISTORY

