

July 14, 2016

The Honorable Mike Hawker, Chair  
Legislative Budget and Audit Committee  
Alaska State Representative  
State Capitol Building  
Juneau, Alaska 99801

Dear Representative Hawker,

In accordance with AS 43.98.050 the Oil and Gas Competitiveness Review Board is tasked with the job of identifying critical criteria, collecting and analyzing historical, current and forecast data, and providing written findings regarding the competitive position of Alaska for oil and gas exploration and development.

To prepare for future statutorily required deliverables, significant additional work by the Board remains to be done in the area of collecting the necessary data and performing meaningful analysis of the data to better understand the competitive relationships between Alaska and other resource-rich jurisdictions. The next required deliverable from the Board is a report to the Alaska State Legislature due on or before January 15, 2017.

For the January 2017 Competitiveness Report the Board is asked to provide written findings and recommendations regarding:

1. the state's tax structure and rates on oil and gas produced south of 68 degrees North latitude;
2. a tax structure that takes into account the unique economic circumstances for each oil and gas producing area south of 68 degrees North latitude;
3. a reduction in the gross value at the point of production for oil and gas produced south of 68 degrees North latitude that is similar to the reduction in gross value at the point of production in AS 43.55.160(f) and (g); and
4. other incentives for oil and gas production south of 68 degrees North latitude.

Due to passage of HB 247, which over the next two years will phase in significant changes to the oil and gas tax credit and tax system in Cook Inlet and Middle Earth, the Oil & Gas Competitiveness Review Board is recommending an extension to this report deadline to January 15, 2019. This extra time would allow for a full review of the impacts of the tax and credit changes prior to submission of the report.

As a volunteer board with no budgeted resources it is going to take a significant personal and professional commitment from all members to prepare a meaningful report. We want to make sure what we prepare and present will have the utmost value for the legislature

and the administration. Therefore the Board respectfully requests your consideration for this extension.

If you have any questions regarding this request, please contact Stephanie Alexander, Oil & Gas Competitiveness Review Board Liaison, at 465-6829 or [Stephanie.Alexander@alaska.gov](mailto:Stephanie.Alexander@alaska.gov).

Sincerely,

G. Wyche Ford  
Oil & Gas Competitiveness Review Board, Chair

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