

December 14, 2016

The Honorable Kevin Meyer, Senate President
The Honorable Mike Chenault, Speaker of the House
Alaska State Legislative Leadership
State Capitol Building
Juneau, Alaska 99801

Dear Senator Meyer and Representative Chenault,

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.

The next required deliverable from the Board is a report to the Alaska State Legislature due on or before January 15, 2017 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 this past legislative session, 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 recent tax and credit changes prior to submission of the report. The Board respectfully requests your consideration for this extension.

The Board was established as a resource to the Legislature. Its membership is broadly based and well positioned to provide a balanced meaningful framework for oil and gas industry tax and regulatory issues. We encourage engagement with the Board as we move into the 2017 Legislative session.

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.

Sincerely,

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