

Next Alaskan Generations will Reap Billions

If you read the newspapers or watch the local TV newscasts to learn the latest about the North Slope natural gas pipeline, you might have lost all hope of ever living long enough to see it get built.

The gas line is still a perfectly viable project. The Murkowski administration and the Legislature are preparing to restructure the state's oil tax system and lawmakers are gearing up for a thorough review of a natural gas pipeline contract when the administration submits the contract to us.

The producers want some degree of fiscal certainty on oil taxes before a gas line deal is struck. Legislators and the administration are getting ready to erase the state's outdated ELF tax system and replace it with a petroleum profits tax (PPT).

This achieves two goals. First, it brings more oil revenue into state coffers and spurs the oil industry into making long term exploration plans to find new oil and gas deposits.

There's been some criticism lately that the legislature is moving too quickly on the PPT bills, SB 305 and HB 488. Come on folks, we are not reinventing the wheel here.

Many oil-producing nations around the world have already implemented a profits-based system. Some of the experts hired by the administration and the legislature actually helped those countries create their tax methodology. That's why we hired them.

The house and senate resources and finance committees are being very methodical. Extensive hearings for the public, the industry and the administration are being combined with expert analysis from a team of world-class consultants that will result in a new oil tax system that's fair to both the state and industry.

Once North Slope gas starts flowing, our economy and quality of life will prosper in ways we can't yet imagine. We will have billions of dollars in new revenue for schools, vocational-technical training, better transportation infrastructure, a stronger safety net for disadvantaged children and the ability to diversify our economy with a new petrochemical industry.

If you like the size of your dividend checks now, you haven't seen anything yet. Billions of dollars of new gas line and oil revenue will be deposited into the permanent fund.

Every eligible Alaskan, regardless of where they live or how much they make will get an equal and growing share of the oil and gas wealth every October when dividends are distributed. That's what I call developing our resources for the maximum benefit of the people.

The political party that's out of power and its former governor want to see a gas line built just as much as everyone else. I am wondering if they're using the gas line to try and gain some political advantage in the upcoming general election.

Former Gov. Tony Knowles recently described the closed-door negotiations between the administration's gas pipeline team and the producers as "inappropriate." He is calling for a review of competing proposals, including the all Alaska LNG project that's been declared economically unfeasible by virtually every oil economist in the country.

It was then-Gov. Knowles who sponsored and signed into law the Stranded Gas Act requiring confidential contract negotiations.

He also coined the phrase "My way is the highway," to express his ironclad support for the Alaska Highway route, the same route the Murkowski administration and the producers support.

Knowles can play a more positive role by standing up for his Stranded Gas Act and explaining to Alaskans how it established a sound legal framework for getting the pipeline built.

The gas pipeline combined with a petroleum profits tax and higher oil production, could generate untold billions of dollars in revenue over the next 40 years. The decisions we make now means the next two generations of Alaskans will prosper as much, or even more than ours from responsible natural resource development.

It's not just a pipe dream anymore. Gov. Murkowski has brought the gas line project closer to reality than any previous administration and I am confident we will finally bring Alaska's vast natural gas reserves to market in the years ahead.

Sen. John Cowdery represents District O in the Alaska Senate.