



March 24, 2011

House Finance Committee Members

Dear Members:

We are writing in support of HB110. Our organization consists of small businesses, large businesses, profit and non-profit companies that are working everyday employing people and producing quality products. We value the leadership our governor has demonstrated by putting this piece of legislation as a priority and we encourage the private and public sectors to collectively work to enact it during this session.

Throughout our great state, from Prudhoe Bay to Homer, people are becoming more and more concerned about our economic train of opportunity that must not only stay on the track of success, but market our great state globally through tax incentives, increased production, and good partnerships with industry.

They say in business that our actions speak louder than words and that policy drives the economy. You, as policy makers and leaders of the finances for our state, can see the results of ACES since November 2007. Since this time, there has been a severe decline in production by 48,000 barrels per day, and a 7% drop from the previous year. Exploration activity on the North Slope has fallen sharply from 18 wells in 2007 to only one well outside existing discoveries in 2010.

In all markets competition is good and necessary to have a healthy economy, but why would we allow a piece of legislation like ACES result in local owned and operated companies moving their valuable resources from the North Slope to other states like North Dakota? Why has ACES caused our local friends, neighbors, and family to board planes and work in North Dakota when we are rich in resources and opportunities? It all comes down the question – WHY? We believe it is because the lawmakers aren't listening to industry and have allowed other states to court their offers and incentivize good Alaska companies to join their economic train.

How many more companies have to move their headquarters, resources, and people outside to work? How many more barrels of oil should we see diminish before lawmakers see the results of a failed economic policy that is a train wreck for industry when that industry is responsible for 85% of our state revenue.

Alaska can not tax its way into prosperity. 1,700 jobs have been reduced on the North Slope with a high proportion of those people living in the Mat-Su Valley. Please listen to the people and the Governor and make Alaska competitive.

Sincerely,

Kay Slack

Kay Slack
President

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