

COMPASS: *Points of view from the community*

# Reserves tax jeopardizes development

By SEN. TED STEVENS

In all my years in the U.S. Senate, I have tried not to weigh in on policy matters being considered by our state. Now, I make an exception to that practice because Alaska has never had this much at stake. We are at a critical point in our history. The choices made now will not only determine the future of the Alaska natural gas pipeline project, they will also determine our ability to attract future investment to our state.

When speaking to the members of our Alaska State Legislature in March, I discussed the need to create a climate for investment in Alaska. The list of our natural resource opportunities is long. We have two-thirds of the Outer Continental Shelf of the United States, a great portion of which is reported to hold significant oil and gas reserves. Our gas hydrates hold enormous promise if we can commercialize them and bring them to market. We have half of the coal in the United States. We have oil and gas potential in ANWR and NPR-A. Each of these opportunities involves great future state income, and each will depend on our ability to attract capital investment.

Those in industry must know we are serious about future development. And a gas reserves tax will send them the wrong message.



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The proposal to tax the gas reserves on the North Slope is well-intentioned, but it is the wrong approach. I understand what those who support it are trying to accomplish. In fact, several years ago, I suggested that we impose a gas storage fee on North Slope natural gas. I believed the fee was needed to maximize our state revenue and encourage producers to move the Alaska natural gas pipeline project forward. But this type of measure is no longer necessary. The producers have come to the table and negotiated a contract with the governor. The contract now awaits action by our state Legislature.

The gas reserves tax issue will now be decided by you — Alaska's voters — on Nov. 7. The choice you make at the ballot box involves much more than the future of this project; it will affect our ability to realize each of the possibilities before us.

Our state is poised to enter an era of renewed exploration and development. Our

opportunities are staggering, but we must attract investment if we are to realize this potential. The choices we make now will determine our ability to create a climate for investment in our state. If we choose to implement a gas reserves tax, we will discourage those who seek to invest here and we will put our future as a leader in natural resource development at risk.

The story of our state was written by pioneers who set aside their differences, stood together, and forged a new path. It was in this spirit that we achieved statehood, the construction of the trans-Alaska pipeline and each important milestone in our history. This moment is no different, and I hope all Alaskans will work together to build a climate for investment in our state. I humbly urge you to vote against the gas reserves tax.

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■ Ted Stevens has represented Alaska in the U.S. Senate since 1968.