

State group protests oil ads with radio spots

The Alaska Common Ground Collective on January 29 filed requests with 17 radio stations in Fairbanks, Juneau, Anchorage, Ketchikan and Sitka for air time under the FCC Fairness Doctrine to reply to recent Alaska Oil and Gas Association advertisements. The Oil and Gas Association ads seek to influence the Alaska public and the legislature towards a more lenient tax policy. Under the Fairness Doctrine, advertising which is editorial in nature must be balanced by the presentation of contrasting viewpoints.

Along with the requests for time, the Alaska Common Ground Collective delivered 5 pre-recorded sixty second spots to the stations, which present arguments in favor of increased taxes on the most profitable oil fields in Alaska.

Paul Fuhs, coordinator for the group's Anchorage chapter, said that they filed for the time because "The oil companies are using their economic power to present only one side of the petroleum tax issue. Unless we are given air time, the tens of thousands of dollars they are spending amounts to free speech for sale when no one else can afford to oppose their views."

Alaska Common Ground Collective is a statewide educational and organizing group that focuses on local development of Alaskan resources and on promoting better wages and working conditions for Alaskan workers. The group publishes a quarterly newspaper with a statewide circulation of 3,500.

For the information of Tundra Times readers, the radio spots are reprinted below:

Spot No. 1

We've heard a lot of complaining lately from the oil industry in Alaska. They hint of taking their investments elsewhere if we continue to press them for a fair share of the profits made from our oil. But, where will they go? To Alberta, where the tax on profits is 79%? Or to the North Sea where it is 80%? The oil companies came to Alaska not because of our low taxes but because the oil is here...and they want it. Now they expect us to act in a way they would never act themselves. Would they sell our oil at the same small fraction of its worth to consumers in the United States? Of course not. Low taxes for Alaskan oil will result only in exorbitant profits for the oil corporations. It is the duty of our state government to end this giveaway by increasing taxes on Alaskan oil. We need this money to develop our local economy and our renewable resources. Won't you write your legislator?

Spot No. 2

Is Alaska changing the ground rules on our oil taxation policy? You bet we are! And with good reason. In the past few years

the ground rules for all oil production have changed dramatically. Most importantly, the OPEC nations have increased the price of their oil by more than 400%. With one stroke these increases have skyrocketed the profitability of oil operations all over the world, including Alaska. Why should the oil companies be the only ones to benefit from these windfall profits when it is our oil? Important decisions on Alaska's petroleum taxes will be made during this session of the legislature. Shouldn't your legislator know how you feel?

Spot No. 3

Will increased taxes on oil really mean fewer jobs in Alaska? Alaskan workers say no. And why? Because the oil is here and the oil companies want it. These same companies have used the same empty arguments about jobs in every country they have operated in. Those countries finally wised up and are now charging up to 90% of the profit for their oil—and the oil industry is still investing there.

It is the taxes collected on highly profitable fields such as Prudhoe Bay and put in the per-

manent fund that will make jobs for us in the days ahead, not the profits the companies take back to Texas. If you are a union worker then we urge you to convince the political arm of your union to take a real stand for all Alaskan workers—for our jobs today and for our children's jobs. Tell them you want Alaska's oil taxed enough to guarantee us all an economic future we can count on.

Spot No. 4

Is Alaska changing the ground rules on our oil taxation policy? You bet we are! And with good reason. The oil companies themselves are changing the ground rules. They are overcharging for transporting oil through the pipeline to Valdez and then writing this overcharge off against their taxes. Glaring construction inefficiencies, caused by cost-plus contracts and wasteful administrative practices are now being blamed on workers and used as an excuse for the overcharge. This one accounting trick alone will cost Alaskans more than 50 million dollars a year in lost tax revenues. Does this seem unfair to you? Then write your legislators and encourage them to increase

Alaska's share in the profits from our oil.

Spot No. 5

Are taxes on the oil industry in Alaska really unfair? Alaskans say no. The oil severance tax passed by the legislature last year substantially lowered the taxes on some wells and raised them on others. For instance, the month the new tax law became effective, total crude oil taxes on wells in Cook Inlet were 12% lower than those collected the previous month. The tax is graduated so that more profitable wells are taxed at a higher rate. But the taxes on the most profitable fields such as Prudhoe Bay are still

not high enough. At the current rate we are receiving only a small fraction of the fair market value. Shouldn't more of the profits from our oil stay here to develop Alaska? Think about it, then contact your legislator.