

SAVOY BAR

423 2nd

Fairbanks, Alaska

Owner and

Operator: CURLY LEVI

A Friendly Atmosphere!

If you live in Southcentral Alaska, there's a very good chance your utility bill has gone up. Why? Last session the State Legislature enacted some tax increases on the oil companies, but directly or indirectly they affect you too.

Here's what happened to the companies. The natural gas production tax was upped from 4% to 10% — a 150% increase. During the same session, the production or "severance" tax on oil was increased from a top rate of 8% of value to a new high of 12.25%. That's a 50% increase.

What is happening to you as a result? Natural gas bills in Southcentral Alaska are going up considerably. Additionally, you will feel the effects as oil and gas companies, utilities and commercial users pass on a portion of the higher taxes to you in their prices.

Right now, the State's tax policy toward the oil and gas industry is probably affecting the price of your lights, your heat, and your power. But the future should be of even more concern to all Alaskans.

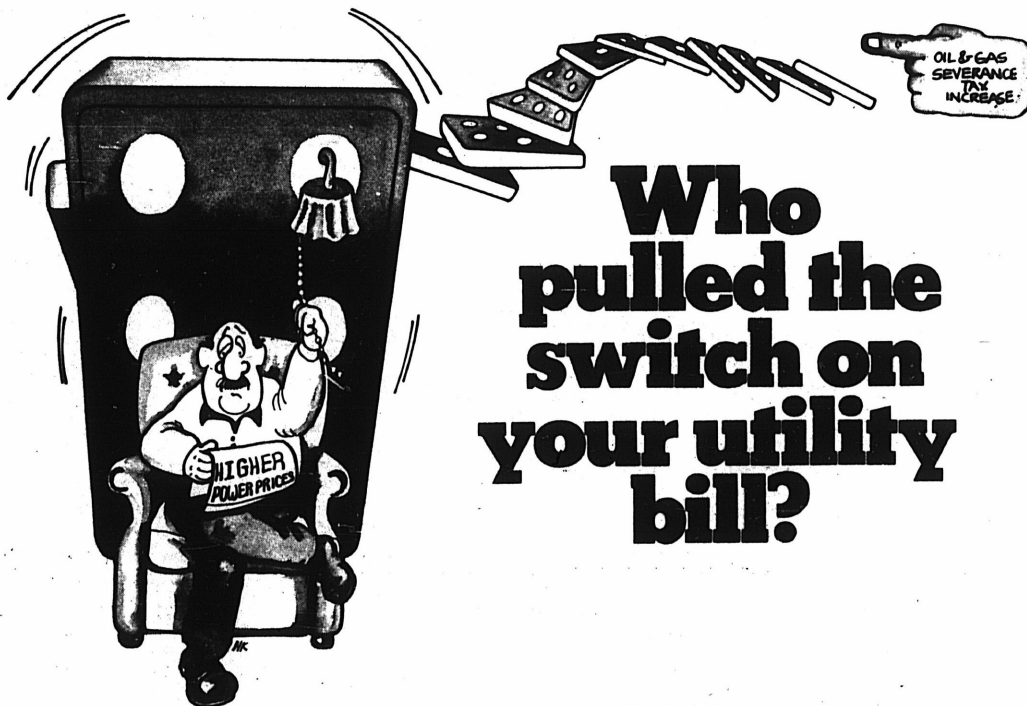
Alaska's tax policy is giving Alaska a bad reputation in the investment community. In spite of Alaska's vast natural resources, potential developers may decide to invest elsewhere. To — Alaskans, this can only mean a loss of potential economic activity. And, of course, fewer jobs.

The problem is that ever since the discovery of Prudhoe Bay, the ground rules — the State's tax laws — have kept changing and increasing. Now the

Legislature is considering even more taxes, just for the oil and gas industry.

Increasing taxes affect the long-term future of Alaska. They affect our ability to make capital expenditures in the State, and to explore for and develop Alaska's resources. Other investors, including many outside the State, see what's happening to the oil industry, are wary of the State's harsh tax policies and are hesitant about doing business here.

It doesn't have to be this way. If you don't like the way things are going, write or speak to your Legislators. The future well-being of Alaska depends on you.



Who pulled the switch on your utility bill?

Alaska Resource
Development Committee

AOGA

Alaska Oil & Gas Association
505 W. Northern Lights Blvd.
Anchorage, Alaska 99503

Native Craft

CARVED IVORY: slippers;
mukluks; custom seal skin
parkas
-R.R. "Bob" Blodgett-
Teller Commercial Company