

There are lots of good reasons for maintaining a sensible taxing policy on the oil industry.

Here are just five of them.

There are some who are proposing increased taxation of the oil and gas industry...in spite of predictions from the State Department of Revenue that the state will receive several billion dollars in **surplus** revenues over the next several years. Along with basic fairness, there are several good reasons why any such tax increase is undesirable.

(1) Existing oil and gas taxes and royalties will provide **75-85%** of all State revenues over the next several years.

(2) Alaska's tax and royalty share of production is greater than any other major oil producing state.

(3) Alaska's existing oil and gas taxes are already among the highest in the nation.

(4) Our industry is already paying its fair share. In 1976, the petroleum industry paid the State of Alaska and local governments **\$368 million** in oil and gas taxes.

(5) The owners and developers of the Prudhoe Bay Field and the Trans Alaska Pipeline have not recovered any of the billions of dollars they have invested in these projects.

Instead of increasing taxes at this time, they should be **reduced**. This would encourage more oil and gas and other business development, and attract the capital investment needed in Alaska to ensure the State's continued growth and prosperity. This in turn would provide more jobs for Alaska citizens.

Atlantic Richfield Company is here to stay. We've already invested billions, and as good corporate citizens we expect to join with other taxpayers in paying our fair share of the taxes needed to fund government services—when there is a demonstrated need.

Sensible—and equitable—tax policies are just good business in the long run.

Atlantic Richfield Company ♦