

Binkley explains vote to change ELF

by Sen. John Binkley
for the Tundra Times

It was with a great deal of reflection and thought that I changed my vote to modify the Economic Limit Factor from a "no" to a "yes."

OPINION

As many of my constituents know, I campaigned against repealing ELF. However, as co-chairman of the Senate Finance Committee, I have learned a lot about the state's overall tax policy, the needs of Alaskans all across the state, and have gained a better understanding of the arguments on both sides of the issue.

My vote was definitely not a retaliatory action against the oil industry because of the Prince William

Sound oil spill. I believe overall the industry has a good environmental record in exploring and developing Alaska's oil and gas resources.

However, the industry's arguments that a modification to ELF would result in a massive loss of jobs did not ring true to me.

I know that oil development is much more heavily dependent on the price of oil than it is on the tax break companies have received under ELF.

I came to realize that Alaska's oil and gas belongs to all Alaskans and that it is only reasonable that the oil industry pay a fair price for the privilege — not the right — to develop our resources.

One of the major factors that swayed me in changing my vote was an agreement that if it passed, two-thirds of the additional income generated by the tax change this next year and a half would be deposited in the Alaska Permanent Fund.

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I have been very concerned all year that the governor and the Legislature were not doing enough to reduce the state's spending to keep it more in line with actual revenue, and I didn't want to see the ELF money used to further increase the state's operating budget.

I'm glad that a large portion of that money will be set aside for future needs.

Another factor that helped persuade

me to change my mind was the dozens of phone calls I received after my first vote. These were mostly from my district and overwhelmingly urged me to change my vote in favor of changing the ELF.

The support from my constituents made a tremendous impression on me and I am grateful they let me know it was OK with them not to keep my campaign promise.