

State's future rests on oil tax reform

By Leslie Hajdukovich | Posted: Sunday, July 13, 2014 12:00 am

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FAIRBANKS — I volunteered to help the Vote No on 1 coalition because I strongly believe the economic future of our state is at stake. Now, months later, I am proud to be part of the effort to ensure future generations of Alaskans have economic opportunities for years to come.

Oil tax reform is already showing results. It seems each day brings more positive news from the North Slope: new good-paying jobs and low unemployment statewide. The number of rigs working on the Slope is at an all-time high. We are closer than ever to getting natural gas in Fairbanks. All of this is welcome news for our community.

The coalition keeps growing as unions, businesses, individuals and Alaska Native corporations join the fight against repeal of tax reform in the Aug. 19 primary election and it's no mystery why. When the very foundation of our state's economy is jeopardized, Alaskans of all political stripes have chosen to stand up and be counted. The desire to nurture a healthy economy and a sustainable state government unites us to advocate for a No on 1 vote.

Scott Goldsmith, the well-respected University of Alaska economist, concluded after months of research that the so-called "giveaway" of tax revenues to the oil industry does not exist. And other leaders are cutting through the clutter and zeroing in on what is at stake. The vote in August is not about oil companies, it is about our future as Alaskans.

We all see the same evidence. Oil production numbers are climbing, and companies are investing in new Alaska projects again. Billions of dollars in investments are coming off the shelf since the reform went into effect. Businesses are growing; there are more jobs from Fairbanks to Anchorage to Kenai. We all benefit in one way or another, whether by a direct job with a company or contractor, or indirectly through more salaries and wages circulating in our local economy.

The old, punitive tax chilled new investment and slowed production on the North Slope. It is no mystery why oil companies looked for more lucrative opportunities elsewhere, and found a warm reception in other oil-producing states. Alaska slipped to fourth place among oil-producing states, behind upstart North Dakota, and even California. For many years, we held steady at number two, behind mega-producer Texas, but now we are in danger of sliding to 5th behind Oklahoma.

A return to the old tax structure would ultimately mean less money for the Permanent Fund, for roads, for health care, for public safety and for education, which is a priority for me.

My family has lived in Alaska for over a century. I have three sons. Repealing the new oil tax law would damage Alaska's economy and Alaska's future. We would return to reduced investment on the North Slope and less oil production. We need a vibrant economy and sustainable state budgets so our kids can receive a first-class education and build their lives here.

Oil has fueled Alaska for 50 years and is the bedrock of our state. Half the economy directly or indirectly depends on the oil industry, as do a full third of the state's jobs. There is no reason that cannot continue unless we make the wrong decision in August.

We are on the threshold of something great and long anticipated — a liquid natural gas export project. For Fairbanksans, it promises affordable gas for Interior Alaska and Southcentral, too. The benefits to Alaska are incalculable. It would be a huge project with huge benefits for years to come. Revenues to the state. A humming economy.

Here's the real threat: It is unlikely the Alaska liquefied natural gas project will advance if oil tax reform is repealed. What will we do then?

My grandmother, Ada Bering Wien, was one of six women delegates to the constitutional convention in 1955. She helped write the Alaska State Constitution and served on its resources committee. There is no doubt in my mind she would oppose this repeal. She believed in a strong Alaska, and in the responsible development of its resources for the maximum benefit of all its people.

We have the chance to ensure Alaska's bright future, with our vote in August. We cannot afford — our children and grandchildren cannot afford — to get it wrong.

Please vote no on Ballot Measure 1 on Aug. 19.

Leslie Hajdukovich is lifelong Alaskan and former president of the Fairbanks North Star Borough School Board. She is a statewide co-chair of Vote No on 1.