

Submitted by: ASSEMBLY MEMBER JOHNSTON AND  
ASSEMBLY MEMBER BIRCH

Prepared by: Assembly Counsel

For reading: April 12, 2011

CLERK'S OFFICE

**APPROVED**

Date: 4-12-11

**ANCHORAGE, ALASKA**

**AR NO. 2011-116**

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY ACKNOWLEDGING THE IMPORTANCE OF THE TRANS-ALASKA PIPELINE SYSTEM (TAPS) TO ANCHORAGE AND THE ENERGY TASK FORCE RESOLUTION DATED APRIL 7, 2011.**

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WHEREAS, over the last 18 months, Mayor Dan Sullivan's Energy Task Force has assessed many energy challenges facing the Municipality of Anchorage, as well as the energy challenges with state-wide impact; and

WHEREAS, based on all the information and knowledge that Mayor Dan Sullivan's Energy Task Force has acquired over the last 18 months, and the personal knowledge and direct experience of many of the Energy Task Force members, Mayor Dan Sullivan's Energy Task Force has concluded that the single greatest energy challenge facing the state of Alaska and the Municipality of Anchorage is the absolutely essential requirement that Alaska does all that it can to assure the sustained operation and throughput of the Trans-Alaska Pipeline System (TAPS); and

WHEREAS, by Resolution dated April 7, 2011, Mayor Dan Sullivan's Energy Task Force has formally recognized the economic results of a cessation of TAPS operation would cause a crippling loss of population, property values, personal wealth, and public services; and

WHEREAS, the Energy Task Force Resolution dated April 7, 2011 advises that the primary priority of elected state officials should be to do all that they can to assure sustainability of TAPS operations and through-put; and

WHEREAS, the Energy Task Force Resolution dated April 7, 2011 acknowledges that accessing the oil and gas resources to provide for the continued operation of TAPS takes investment of substantial sums of money and incurs substantial risk; and

WHEREAS, Mayor Dan Sullivan's Energy Task Force has resolved as follows:


- The current tax structure under ACES discourages investment.
- Improvement of Alaska's oil and gas tax structure is required to assure future oil exploration and development and the sustainability of TAPS operations.

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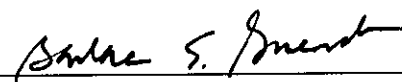
- Governor Sean Parnell has placed the highest priority on improvement of Alaska's tax structure to assure sustainability of TAPS operations and through-put.
- Mayor Sullivan, upon confirming the validity of the Energy Task Force's assumptions, should undertake to forcefully support Governor Parnell's initiative to improve Alaska's investment climate by changing the State's current tax structure to one that is highly competitive with other North American oil and gas producing states and provinces.

NOW, THEREFORE, the Anchorage Assembly resolves to evaluate the assumptions identified in the Energy Task Force Resolution, and upon confirming their validity, the Anchorage Municipal Assembly shall endeavor to identify appropriate avenues of support to ensure the best interests of Anchorage and its residents are reflected and heard in this debate.

PASSED AND APPROVED by the Anchorage Assembly this 12<sup>th</sup> day of April, 2011.

  
Chair

ATTEST:

  
Municipal Clerk

**RESOLUTION**  
**MAYOR DAN SULLIVAN'S ENERGY TASK FORCE**

WHEREAS, the Governor of Alaska, in an effort to improve the investment climate for oil exploration, has introduced legislation to change the tax laws of the State of Alaska with regard to the oil industry; and

WHEREAS, this legislation is currently being considered by the Alaska State Legislature; and

WHEREAS, over the last eighteen months Mayor Sullivan's Energy Task Force has assessed many energy challenges facing the Municipality of Anchorage, as well as those with state wide impacts; and

WHEREAS, the Energy Task Force believes the single greatest energy challenge facing the State of Alaska and the Municipality of Anchorage, Alaska's Headquarters City, is the absolutely essential requirement that Alaska does all that it can to assure the sustained operation and throughput of the Trans Alaska Oil Pipeline (TAPS); and

WHEREAS, TAPS officials have advised the Legislature and the public at large that declining throughput at current annual rates of decline could produce termination of TAPS operations within a few years while mechanical interruptions of service, exacerbated by declining throughput, could occur at any time; and

WHEREAS, cessation of TAPS operations would threaten up to 90% of Alaska's operating budget and over one-third of the entire economy of the State of Alaska; and

WHEREAS, the economic results of a cessation of TAPS operation would cause a crippling loss of population, property values, personal wealth, and public services, the primary priority of elected state officials should be to do all that they can to assure sustainability of TAPS operations and throughput; and

WHEREAS, based on all of the information and knowledge that the Mayor Sullivan's Energy Task Force has acquired over the last 18 months of its existence and the personal knowledge and direct experience of many of the Task Force members, the Task Force is convinced that Alaska has sufficient oil and gas resources to support the State of Alaska and to provide for the continued operation of TAPS for generations to come; and

WHEREAS, the Task Force knows that accessing those resources takes investment of substantial sums of money and incurs substantial risk;

NOW, THEREFORE, the Mayor's Energy Task Force RESOLVES as follows:

- 1) that the current tax structure under ACES discourages investment.
- 2) that improvement of Alaska's oil and gas tax structure is required to assure future oil exploration and development and the sustainability of TAPS operations.
- 3) that Governor Sean Parnell has placed the highest priority on improvement of Alaska's tax structure to assure sustainability of TAPS operations and throughput.
- 4) that Mayor Sullivan should evaluate our assumptions and that, upon confirming their validity, undertake to forcefully support Governor Parnell's initiative to improve Alaska's investment climate by changing our current tax structure to one that is highly competitive with other North American oil and gas producing states and provinces.

DATED at Anchorage, Alaska this 7<sup>th</sup> day of April, 2011.

Mayor Sullivan's Energy Task Force

By: 

Dan K. Coffey, Chair