



COMMONWEALTH  
NORTH

**Resolution 2010-2**

**Commonwealth North: Facing the Facts, Confronting the Future, Taking a Stand.**

**March 30, 2010**

**WHEREAS**, the purpose of Commonwealth North is to educate its members and others on significant issues affecting Alaska and its future and to assist in their resolution; and

**WHEREAS**, one aspect of that purpose is to provide the Alaska Legislature and Governor with Commonwealth North studies and policy recommendations; and

**WHEREAS**, the seasonally adjusted Alaska unemployment rate was 8.5% in February 2010, an increase of 2.3% in just two years since the same time in February 2008 when the unemployment rate was only 6.2%; and

**WHEREAS**, Alaska Department of Labor data clearly shows that Alaska employment in most every industry has dramatically fallen since September of 2008; and

**WHEREAS**, with the continuing decline of oil revenues, projections show a deepening concern by the private sector on their ability to afford investments, growth and jobs; and

**WHEREAS**, Alaska's economy is built mainly on the sale of natural resources: the development and production of oil and gas is the single largest contributor of revenue that supports the economy; and

**WHEREAS**, fully one-third of Alaskans owe their livelihood to oil & gas exploration and development in Alaska, which includes not only jobs within the petroleum sector itself but also jobs throughout State and local government, finance, infrastructure, trade, construction and self-employed sectors, among others; and

**WHEREAS**, oil production in Alaska has declined from 2.1 million barrels per day in 1988 to less than 700,000 barrels per day today, and is expected to continue to decline by more than five percent per year; and

**WHEREAS**, there are huge reserves of offshore and onshore oil and gas to be developed; and

**WHEREAS**, other oil basins in the world that offer competitive advantages to investment in oil and gas development, that are not offered by Alaska's existing policies, are thriving economically; and

**WHEREAS**, Alaska's oil and gas status is seriously hobbled with respect to its potential, notably:

- North Slope oil development activity seriously declined overall
- Total Alaska drilling activity has decreased 14% while Lower 48 oil drilling activity has increased
- Exploration drilling activity in Alaska is down nearly two-thirds, e.g. one major producer will not be drilling an exploration well for the first time in 45 years
- Over \$2.5 billion in North Slope oil and gas projects have been deferred
- No significant incentives exist to produce huge heavy oil reserves

**WHEREAS**, unlike leaders in states other than Alaska, who have little to no opportunity to affect the major issues causing the nation's unfavorable economic climate, Alaska's leaders are in a position to positively affect our state's economic future and to reverse the current momentum of decline by creating a more attractive and competitive environment for expanding investment and reinvestment by the oil and gas industry;

**NOW THEREFORE BE IT RESOLVED**, Commonwealth North urges the Alaska Legislature and the Governor to act now in 2010 to establish policy, amend law and reform regulations to substantially incentivize investment and increase the competitiveness of Alaska relative to other oil and gas basins, so that creation of revenue and jobs for Alaskans and opportunities for Alaska businesses will be sustained for generations of Alaskans to come.

**AND BE IT FURTHER RESOLVED**, that copies of this resolution be sent to Commonwealth North members, Governor Sean Parnell, the Alaska Legislature, State Commissioners, and statewide media.

Approved the 30th day of March, 2010

Joe Beedle, President