

Let's not be our own worst enemy in developing ANWR

By Curtis W. Thayer

We owe a huge debt of gratitude to our Congressional Delegation Senator Lisa Murkowski, Senator Dan Sullivan, and Congressman Don Young. They delivered the ultimate Christmas gift to Alaska, the ability to open the 1002 area of the Arctic National Wildlife Refuge (ANWR) for safe and environmentally responsible oil exploration.

ANWR has been a 37-year, uphill battle, eventually passed by Congress only to be vetoed by President Clinton in 1995. Now that Congress and President Trump have finally approved ANWR, Alaska must not squander the opportunity. Considering how we have stymied progress on new oil discoveries by independents during the past three years, we are now our own worst enemy to developing ANWR.

I recently had the opportunity to talk with several independent oil companies' executives, some doing business in Alaska and others not. And while their interests and objectives vary, there are common conversational threads throughout, some heartening and all worth noting.

Most independents believe that Alaska has the potential to be one of the hottest oil basins in the world. In fact, it's a point that has been reiterated time and again. I find that very encouraging, but it begs the question, "Why aren't we seeing a boom on the North Slope?"

The independents' answers were swift and critical. They said we need to listen as a state and be pro-active to take advantage of the huge opportunity to compete with other states and attract the billions of dollars available for investment after the passage to the recent federal tax legislation.

They weren't critical of our geological formations or their potential; rather, as one seasoned North Slope independent put it, "Alaska's problems aren't in the rocks, the state's problems are all above the rocks." This is one of the universal themes shared by the industry executives I've spoken with. They believe the state's problems are of our own making, and what I find encouraging is that these problems are preventable.

All the independents agree that we need to approve permits in a reasonable amount of time. California, for instance, is revered as an environmentally sensitive state. It's embarrassing that their permitting time is a fraction of what companies must endure here in Alaska.

The independents also complained about the state's confusing and ever-changing tax code. They wondered why they couldn't create a simple, reasonable and fair tax code and stick with it like all the other oil basin states do.



Some executives suggest that Alaska might partner with industry by helping with much-needed infrastructure. Similar to what we did to stimulate the development of Red Dog Mine, we can build roads, airstrips and shared facilities that become revenue generators through industry user fees. Others were critical; suggesting that the State could do to work with native village corporations to improve relationships and help mitigate land use plans and permits.

All the independents agree that if the state would meaningfully address these concerns that Alaska's oil fields would boom with success. Success seldom just happens. It's not a game... it is a plan and a strategy. And if we want success, we need to address these concerns with practical resolve.

Independents like Hilcorp, Armstrong Oil & Gas, Caelus Energy Alaska, LLC, and Oil Search – coupled with companies like BP, ConocoPhillips, and ExxonMobil – are all striving to ignite a renaissance on the North Slope. They are proving that our geological formations are oil rich with much more still to be discovered. These companies are finding success despite the unfriendly environment that has soiled Alaska's reputation with investors and explorers.

It's time that we quit fighting industry over nickels and dimes when billions are at stake. It's time to remove the barriers that hinder our state's financial success.

With the New Year fresh, let's seize this opportunity and work to realize our potential. Let's put our minds and efforts towards creating new wealth for Alaska instead of fighting over a series of nuisance and regressive taxes that will harm the economic well-being of our communities. The opportunities exist for success. All we need now is the political will and leadership to realize that success.

It's time to roll up our sleeves, formulate a plan, implement that plan, and enjoy a tremendous 2018 for Alaska.

Curtis W. Thayer is lifelong Alaskan and serves as president and CEO of the Alaska Chamber.

A handwritten signature in black ink that reads 'Curtis W. Thayer' with a long horizontal flourish extending to the right.