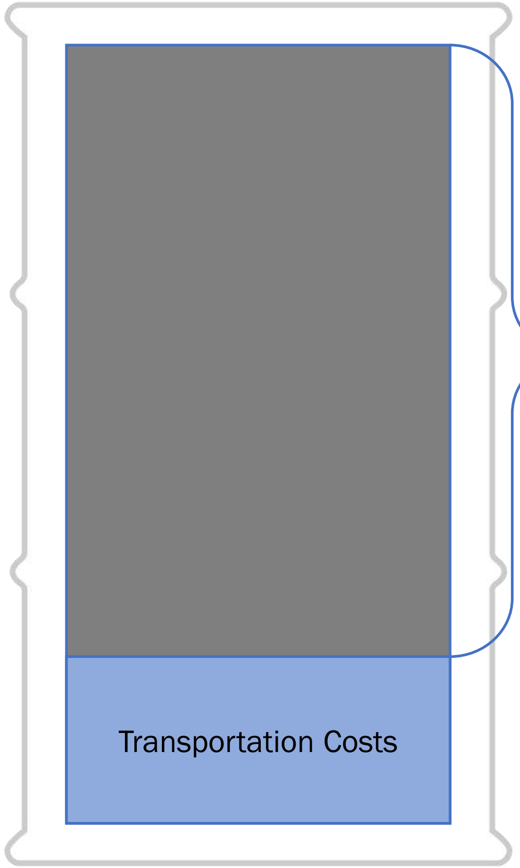
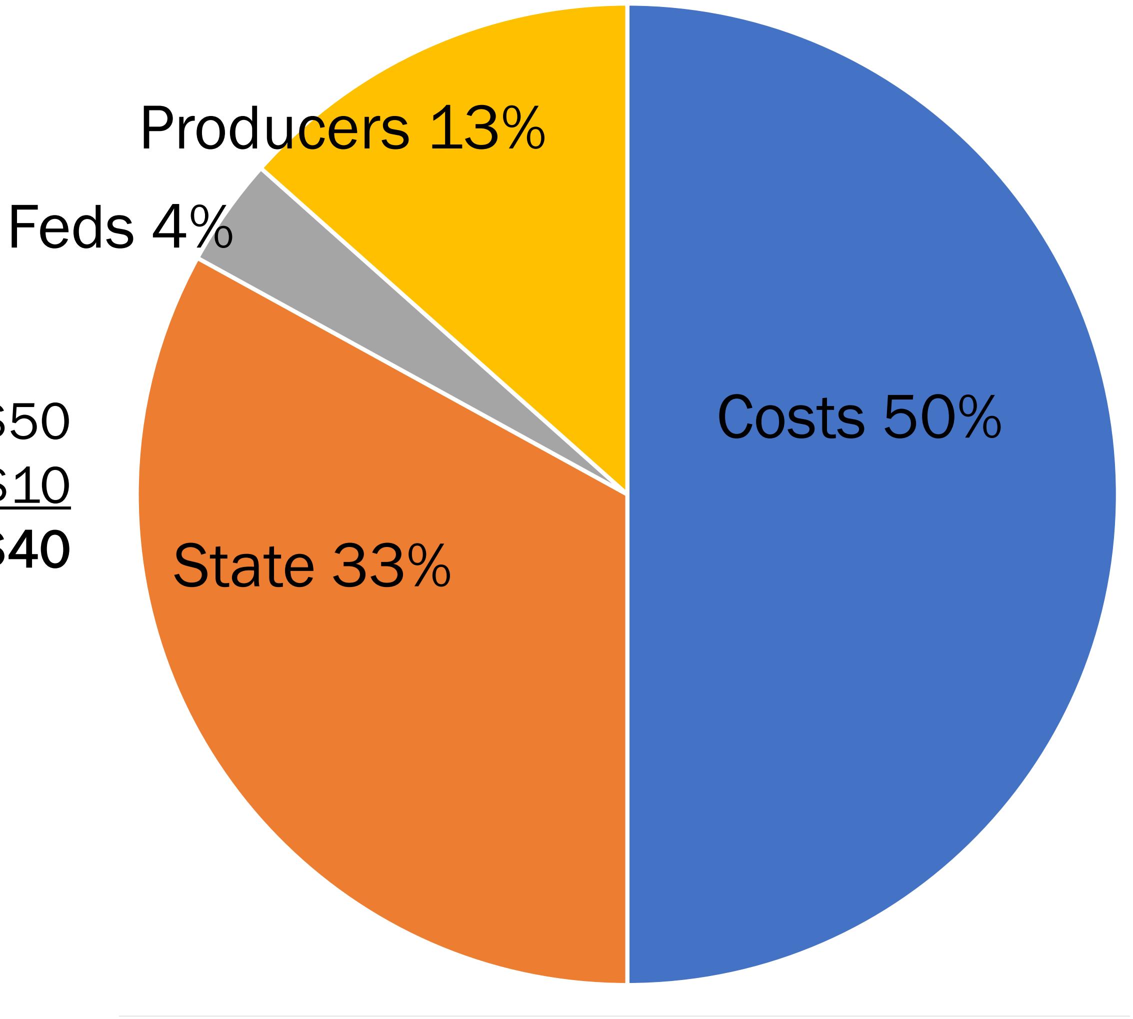
Allocating $50 in Gross Revenues under Ballot Measure 1

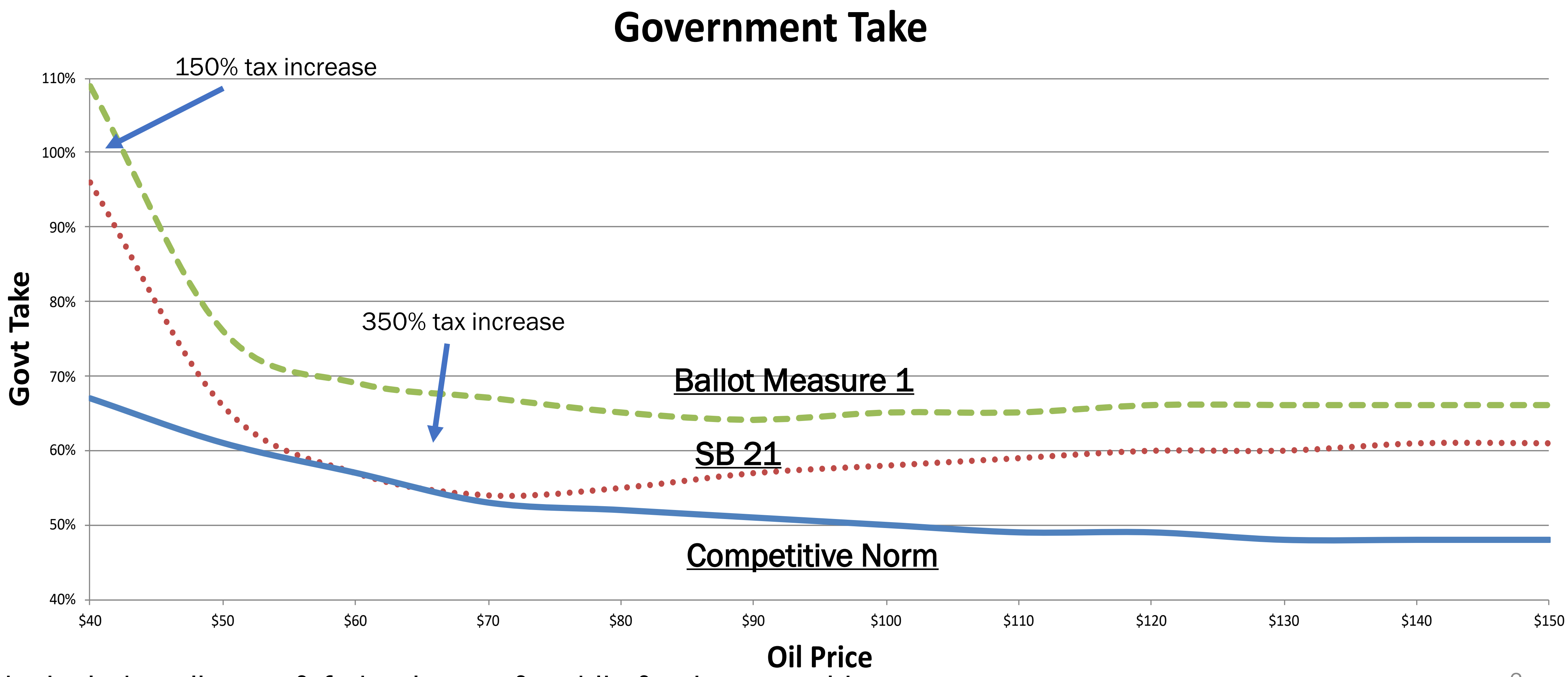


$50 per barrel

Market Price	$50
-Transportation Costs	-$10
Gross Revenues	**$40**

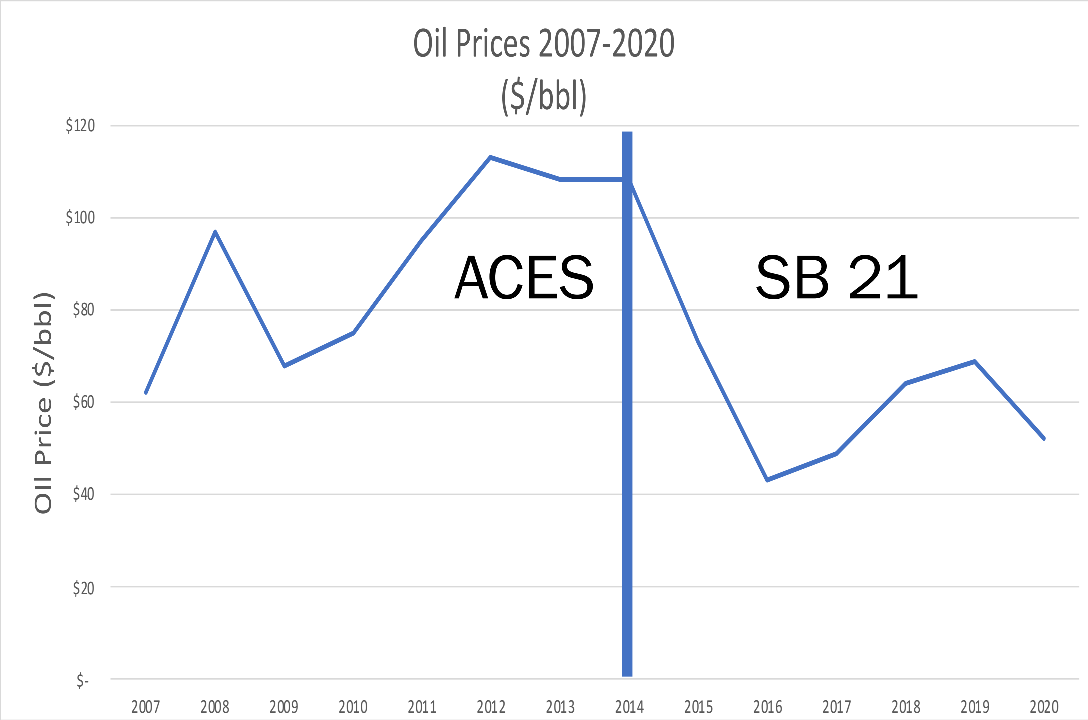


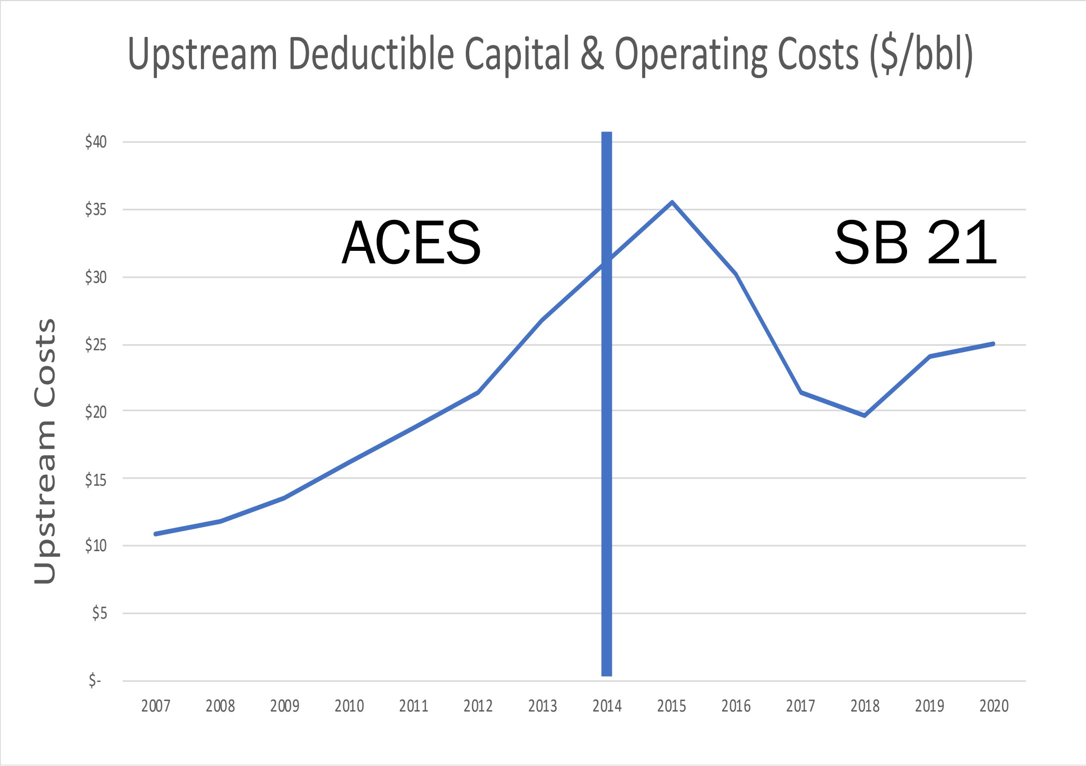
Being competitive is essential for attracting investment.



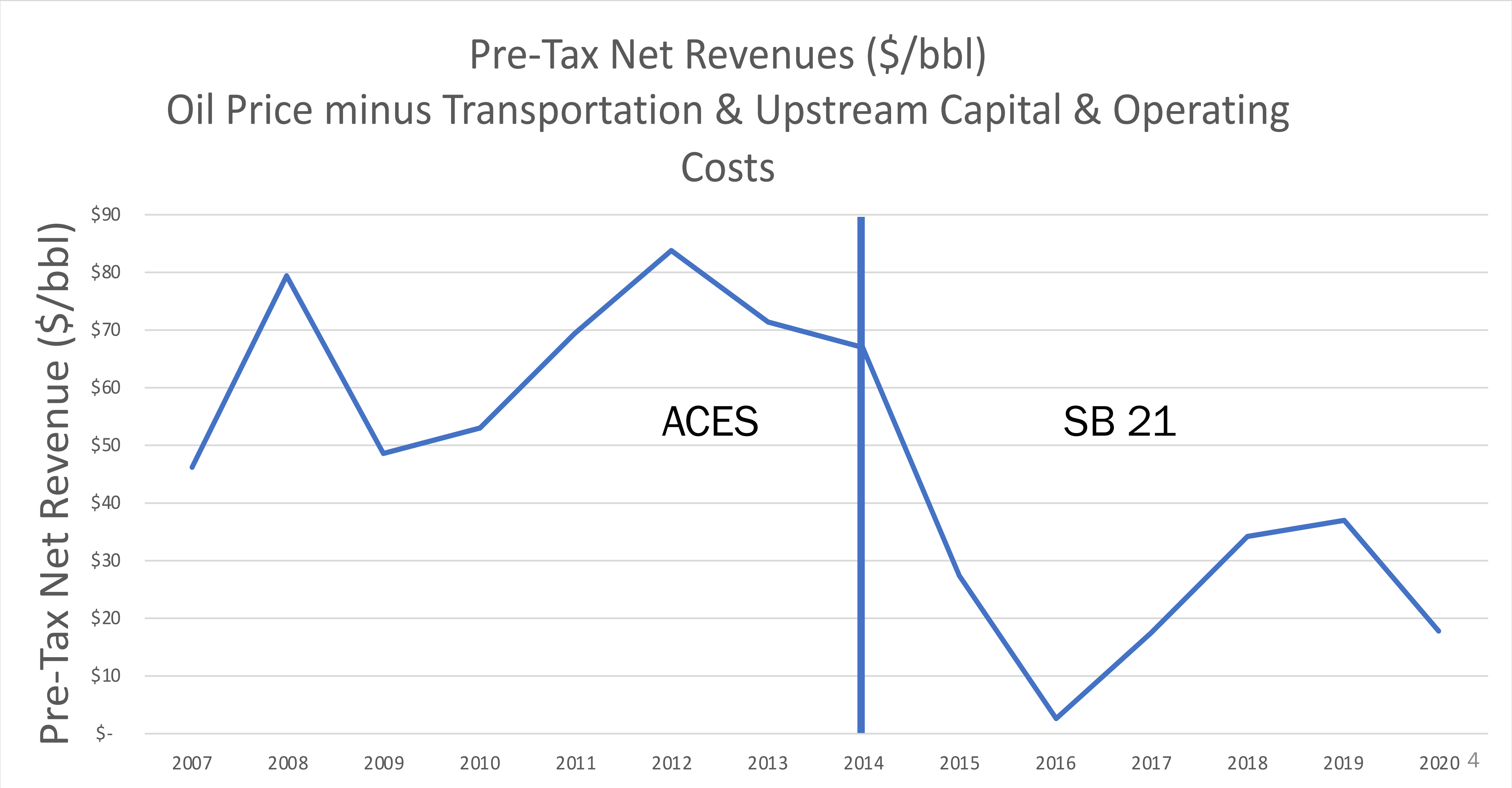
Govt take includes all state & federal taxes & public & private royalties

When SB 21 took effect, costs were rising. Then, oil markets crashed.

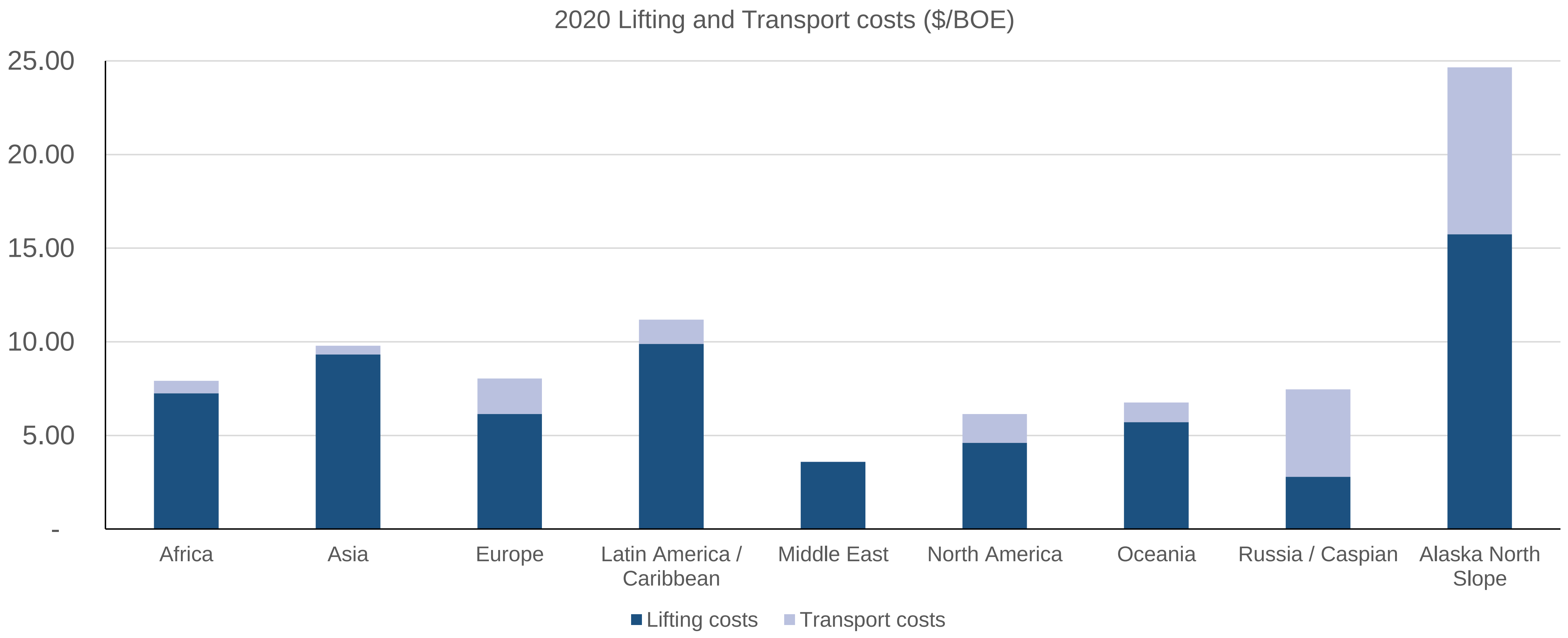




Revenues would have fallen under any regime.



Production and Transportation costs in Alaska are $20 higher than Lower 48.



Source: Lens™, a product of Wood Mackenzie

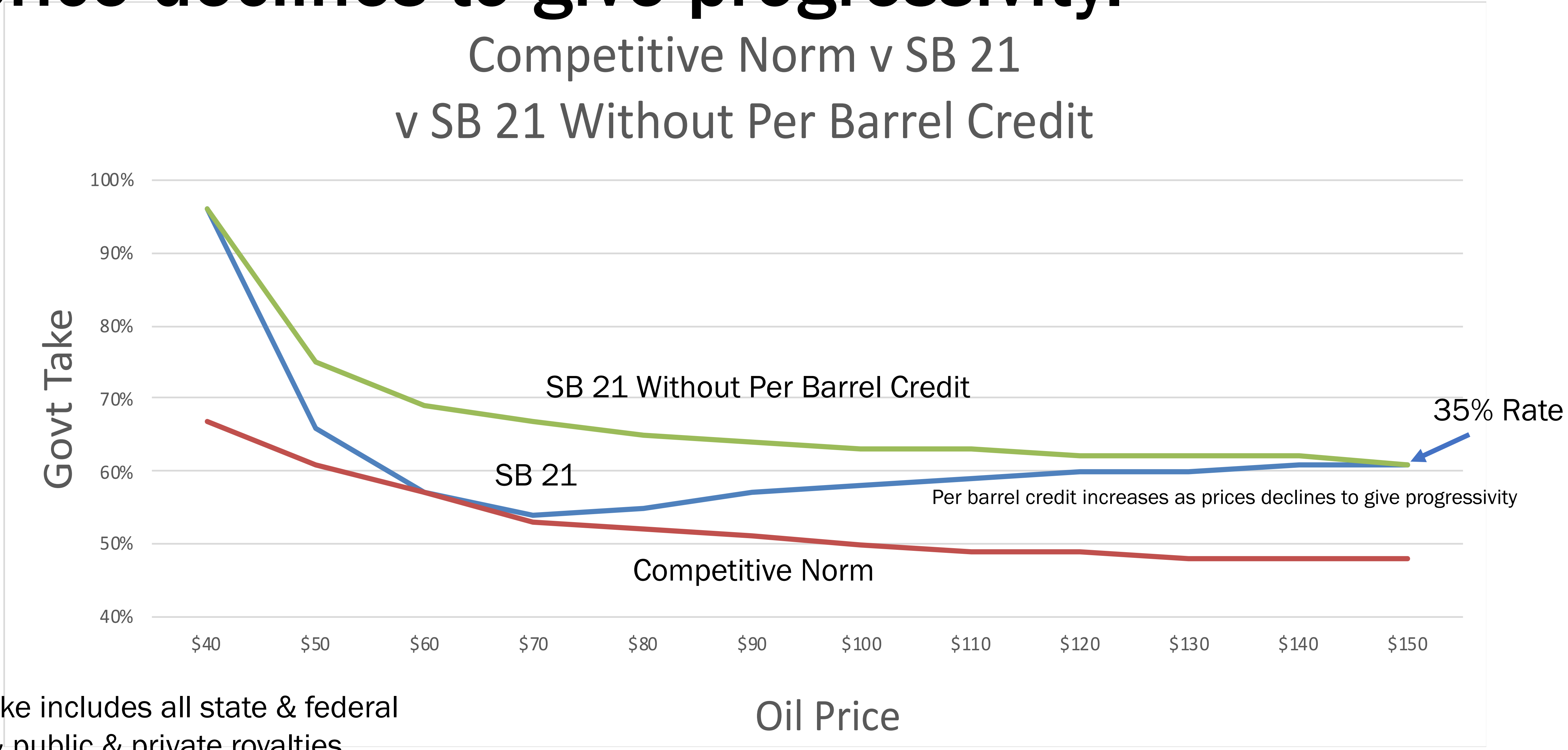
Problematic accounting: Sponsors are comparing two distinct ledgers

Severance Tax Revenues & Credits 2015-2019 ($millions)

	2015	2016	2017	2018	2019	Total
Total severance taxes paid by large North Slope producers net of per barrel credit	$ 382	$ 177	$ 126	$ 741	$ 587	$ 2,013
Credits (Paid & Owed)						
Small North Slope Producers / Explorers	$ 224	$ 409	$ 255	$ 71	$ 68	$ 1,027
Non-North Slope	$ 404	$ 380	$ 153	$ 60	$ 38	$ 1,035
Total credits	$ 628	$ 789	$ 408	$ 131	$ 106	$ 2,062

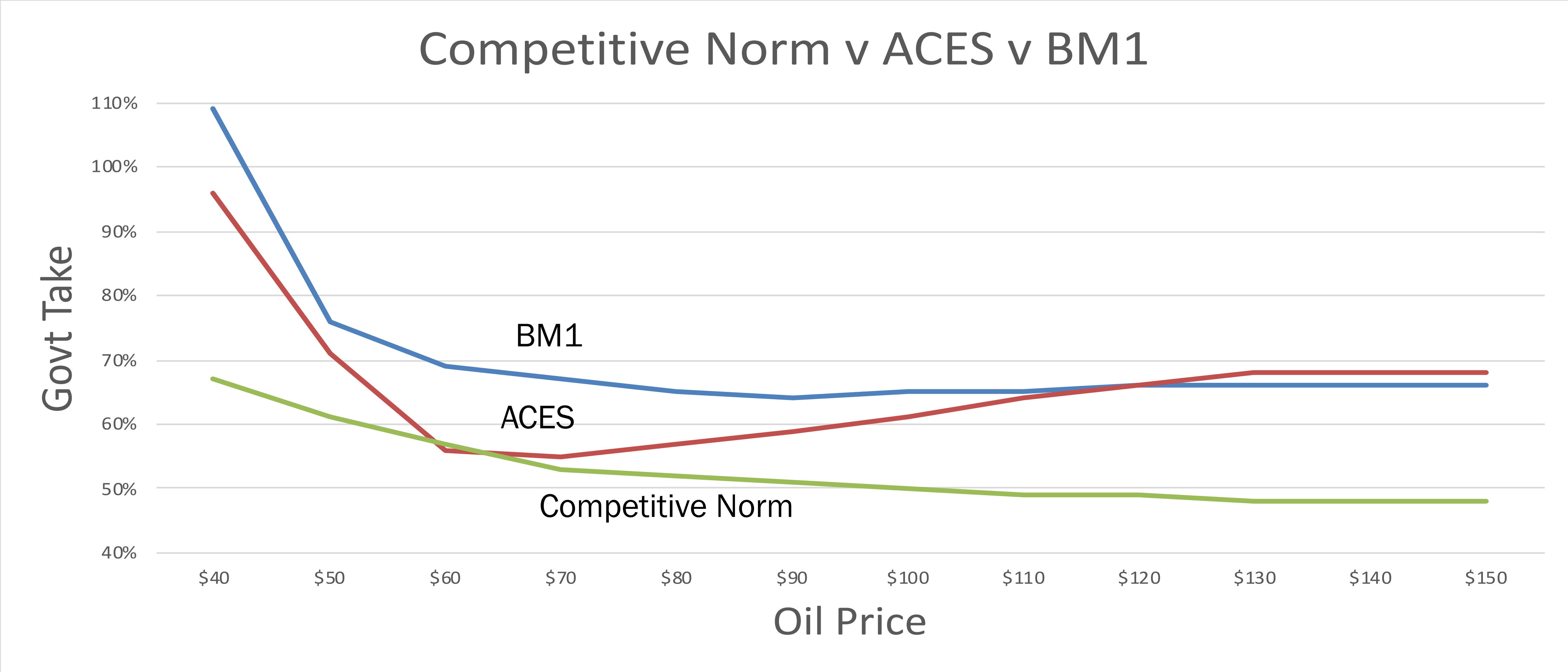
Does not include another $9 billion paid in royalties, property & inc tax

Not a giveaway – Per barrel credit increases as price declines to give progressivity.



Govt take includes all state & federal taxes & public & private royalties

Ballot Measure 1 is a higher tax than ACES at prices up to $120 per barrel.



Govt take includes all state & federal taxes & public & private royalties