

Transcript of Senator Peter Micciche – Special Orders – 3-18-13 - An Anniversary of a gathering of folks to define a fair share for Alaskans.

March 18, 1981, there was a press conference. In attendance were Governor Hammond, Senate President Jay Kerttula, Speaker Jim Duncan, Senator Ed Dankworth, Senator Don Bennett, Representative Hugh Malone, and Representative Sam Cotten. The purpose of that gathering was to discuss what they defined as a fair share.

I am going to read a quote here. "Before asking my colleagues," this is Governor Hammond speaking, "to comment on this position, I'd like to put the matter in perspective - at least as it reflects my view. I believe it's important that we do not lose this perspective. Oil is an Alaskan resource. The companies extract it, refine it, and sell it for enormous profits." He then went on to talk about what he thought was the right share - 36 percent for the federal government, 34 percent for the companies and 30 percent for the state. He talked about those three participants. "What we are getting does not seem to me to be excessive. Particularly if we would do such things as eliminate personal income and other taxes, as well as fail to demand that other resources assume a tax burden at least somewhat comparable as the percentage paid by oil. " What he was doing was sort of acknowledging severance taxes being defined by the severing of a renewable resource from the people of Alaska that oil at the time with the 30 percent at the time was paying multiples higher than the next highest tax natural resource

Senate President Kerttula went on and talked about the same thing. He said, "The state's current level of taxation provides that both the oil companies, the federal government and the state will receive greater share of Alaska's wealth than Alaskans. Both the governor and the legislative leadership are determined that through their mutual efforts, a sound strategy for protecting oil and gas revenues will be found. "

The Governor went on himself, again. He talked about the fact that apportionment is not providing Alaska with a undue abundance of wealth at the expense of either the federal government or the oil companies.

Speaker Duncan talked about stability. He said that both houses of the legislature and the leadership in both houses at least agree upon the concept that we should maintain our level of revenues and provide stability as far as the level of revenues go. He also said, that we may not all agree on how to get there not different that what we are discussing here in this body this week, but that the administration with the leadership of the Senate that those revenues will be maintained.

What's funny is that you hear the word 'apologetic' and I certainly hope that we are not apologetic about our fair share.

Senator Dankworth talked about "What I am not apologetic about is when oil companies and the government leave Alaska with 70 percent of our resource, about us wanting to hold on to 30 percent of a (NON) renewable resource and I don't feel at all apologetic about that and I think I would to see us at least from now on, not just in this case, but on any other resource, see that we

don't get in a position where 70 percent of it leaves the state and we apologize for holding on to just what little portion we do.

Representative Cotten went on. He talked about stability and uncertainty. The word 'stability' is throughout the discussion.

Representative Malone talked about being encouraged because he knew that there was a lot of opportunity left in the state of Alaska.

Senator Bennett was the first to use the term 'fair share' which I think is important. Senator Bennett said "I think I must just add one thing. (I'm reading, so I may have swapped words as I am reading through this.) I think it's important to realize that we're going to get our fair share in taxation from the oil companies. I think 30 percent of that total is a fair share. The point is that the people of Alaska are entitled and it's our responsibility, I think, to see that they receive their entitlements."

Representative Vaska went on and wanted to make sure that that fair share was spread to all Alaskans.

Governor Hammond came back and said the closing word here. He talked about Representative Cotten's words. The word stability was very important to him back then. We have heard for years the demand for stabilization in our tax structure.

As Governor Hammond did well, he closed with something somewhat humorous. "I would also like to point out that I think that by making a clear pronouncement on this issue at this stage in time, we have in fact done the oil companies, as well as the people of Alaska, a favor. Certainly, I would hope have saved them enormous sums of money on the lobbying effort and expenditure that would perhaps suggest that we will be deterred from this course of action."

You know as this discussion progresses, I hope we all put Alaskans first and partisanship and parochialism second. I think our current discussions all seem to be above 30 percent, actually about 10 percent above that. I just ask that we recognize the wishes of those great and diverse Alaskans that came together over thirty years ago on this day to discuss their definition of a fair share for Alaskans.