

ALASKA STATE LEGISLATURE

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SENATOR BERT K. STEDMAN *CO-CHAIR SENATE FINANCE COMMITTEE*

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Stedman Studies Oil & Gas Fiscal Regimes

Valuable background for a critical review of Alaska's current gas tax policies

(Juneau) – Senator Bert Stedman, R-Sitka, recently returned from a professional training course on oil & gas tax policy in London. The five day seminar, *World Fiscal Systems for Oil & Gas*, involved quantitative analysis and a critical review of the oil & gas tax structures used by petroleum producing regions throughout the world.

“We operate in a highly competitive, international market,” said Senator Stedman. “It’s critical that state policymakers understand contemporary trends in oil & gas policy if we hope to encourage more oil and gas development here in Alaska.”

The technical seminar was attended by a diverse group of international participants - including oil and gas industry leaders, policy makers and financial analysts. Daily sessions focused on financial modeling, government tax policy and comparative analysis. “Examining how other countries use tax structures to maximize oil & gas revenue is extremely valuable, particularly now, as we pursue the construction of a natural gas pipeline here in Alaska” said Stedman.

The course was taught by Dr. Pedro Van Meurs, a recognized expert in petroleum economics who has over 35 years experience in oil & gas tax regimes. Dr. Van Meurs consulted extensively for the State of Alaska during the development of the Petroleum Profits Tax in 2006. “Pedro is well versed in Alaskan oil & gas issues,” said Stedman. “This was an opportunity to work directly with him on scenarios that achieve our primary goals of maximizing resource revenue and incentivizing additional investment.”

The Legislature is reexamining the state’s gas tax policies, including the possibility of decoupling gas tax rates from oil taxes, as part of the larger effort to construct a natural gas pipeline in Alaska. As Co-Chairman of the Senate Finance Committee and member of the Senate Energy and Resources Committees, Senator Stedman will be taking a lead role in any oil and gas tax policy changes. Economic modeling techniques, similar to those covered in this course, will be used to evaluate any proposed changes.

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