

Benefactors

DIAMOND

- Alyeska Pipeline Service Co.
- BP Exploration
- ConocoPhillips
- Fairbanks Daily News Miner
- Fairbanks Memorial Hospital & Denali Center
- Flint Hills Resources Alaska
- GCI
- Santina's Flowers & Gifts
- Wells Fargo

PLATINUM

- Alaska Airlines
- AT&T Alascom
- Golden Heart Utilities
- Mt. McKinley Bank
- Phone Directories Company
- The Carlson Center

GOLD

- Alaska Railroad
- Alaska USA
- Denali State Bank
- Design Alaska
- Doyon, LTD
- First National Bank Alaska
- Laborers Union Local 942
- Military & Civilian FCU
- Northrim Bank
- The Boeing Co.
- Usibelli Coal Mine

SILVER

- ACS
- ACS Media
- Blue Wire Technologies
- ExxonMobil
- Fairbanks Building & Construction Trades
- Fairbanks Natural Gas
- Flowline Alaska
- Fred Meyer
- GVEA
- Key Bank of Alaska
- Personnel Plus
- Seekins Ford, Lincoln, Mercury
- Tanana Valley Clinic
- TOTE
- UAF

Introduced By: Natural Resources Committee

Date Introduced: 2/11/08
 Date Passed: 2/25/2008
 Date Transmitted: 2/26/08

RESOLUTION 08-0225B

A RESOLUTION BY THE GREATER FAIRBANKS CHAMBER OF COMMERCE (GFCC) OPPOSING HOUSE BILL NO. 156 IN THE 25th LEGISLATURE OF THE STATE OF ALASKA "AN ACT RELATING TO MINING LICENSES, THE MINING TAX, AND PRODUCTION ROYALTIES...."

WHEREAS, as stated in the GFCC Bylaws (Section 1A:4), The GFCC advocates for the development and wise use of Alaska's natural resources and strives to have a working knowledge of technical, financial and political aspects surrounding development; and

WHEREAS, the mineral industry currently has one of the best chances of any Alaska industry for expanding and diversifying the State's economic base, especially rural Alaska, increasing Statewide employment, and generating new wealth to create businesses and provide revenues to the State and Local governments; and

WHEREAS, it is State Policy under Article VIII, section 1 of the Constitution of the State of Alaska to "to maintainthrough the proper conservation and development of the abundant mineral resources within the State, including metals, industrial minerals and coal", and

WHEREAS, revenues to the State of Alaska from the mineral industry during FY 2007 increased 292 percent from FY 2006 to \$179 million USD, second only in revenue generation to the State's petroleum industry, reflecting both high prices and demand worldwide for mineral commodities, but also the progressive nature of current mining State Law and Mineral Policy; and

WHEREAS, The current, progressive, State of Alaska mineral taxation policies reflect careful review by the 1989 Alaska Legislature, which after much debate, modified the previous mining law to include changes to the State's mining claim procedures, and implementation of new rental and royalty fees for mining on State Lands; and

WHEREAS, Alaska's current mix of net revenue taxes on State Lands, rents of mining claims on State Lands, the net profits tax covered under the Alaska Mining License Tax on all Alaska Lands, and Corporate income taxes,

amounts to more than three times the percentage of gross revenues received from, for example, the mining industry in mining states like Arizona and Nevada; and

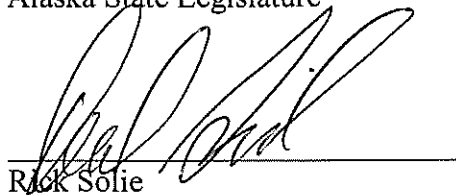
WHEREAS, Key provisions of House Bill No. 156 are punitive in nature, seeking to impose a gross royalty, drastically raises rents and royalties, does not recognize the cyclic nature of and inherent risk factors associated with the minerals business, and will discourage minerals investment in the 49th State; and

WHEREAS, the Fairbanks area economy enjoys the influx of new jobs and economic diversity from such operations as Usibelli Coal Mine, and the Pogo and Fort Knox gold mines, from many small scale but energetic placer gold miners, industrial mineral producers, and from other mineral-related activities in Alaska's vast Interior, including mineral exploration, all of which will be negatively affected by the punitive nature of HP-156;

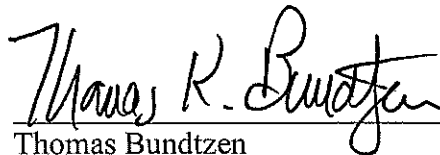
NOW THEREFORE BE IT RESOLVED that the Greater Fairbanks Chamber of Commerce is opposed to House Bill No. 156, which seeks to punitively modify the States Mining Taxation regime, thus causing the needless loss of jobs in the mining industry and the State's overall economy.

BE IT FURTHER RESOLVED that this resolution be distributed to:

Office of the Governor, State of Alaska
 Interior Delegation of the Alaska Legislature
 Mayor Jim Whitaker, Fairbanks North Star Borough
 Terry Strle, Mayor, City of Fairbanks
 Assembly Members, Fairbanks North Star Borough
 Council members, City of Fairbanks
 Commissioner Tom Irwin, Department of Natural Resources
 Deputy Commissioner Marty Rutherford, Department of Natural Resources
 Alaska State Legislature



Rick Solie
 Chairman, GFCC Board of Directors



Thomas Bundtzen
 Chairman, Natural Resources
 Committee

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