

Ballot Measure 1 will deepen Alaska's economic crisis

by Joe Usibelli Jr., President of Usibelli Coal Mine, Inc.



My family, through Usibelli Coal Mine, has been investing in Alaska for almost 80 years. We understand how business works up here, and we are proud of our record of putting Alaskans to work. That knowledge gained through decades of experience tells us Alaskans must vote no on Ballot Measure 1.

Alaska's economy depends on a healthy business climate. Unfortunately, Ballot Measure 1 jeopardizes Alaska businesses, both small and large. It calls for increasing taxes on oil companies by up to 300%. I can assure you that if our State taxes were to increase that much, it would dramatically change my business plan, including reduced investment in exploration and production, as well as human resources.

Alaska has the unfortunate reputation of being an unstable and somewhat hostile business environment at this point. It's hard to expect otherwise when the same group of individuals abuses the ballot measure process each election cycle to advance their agenda. Complex tax policies should go through the rigorous legislative process where the public has multiple opportunities to weigh in. The language in Ballot Measure 1 is full of poison pills that will devastate our economy. The legislature – which is elected by Alaskans – is the appropriate venue for deliberating important public policy. The current language in Ballot Measure 1 cannot be amended. If passed, the legislature will be unable to correct the significant flaws in the language for two years.

If you are still on the fence about Ballot Measure 1, let me ask you this: How would your business survive a 300% tax increase? How would that change your business strategy? Let me ask the same question to you as an individual: How would you respond to up to a 300% increase on your property or sales taxes? Would it alter your purchasing and budget decisions?

Because of the COVID-19 pandemic, Alaskans are already facing price increases of 10-20% in supplies and significant time delays for delivery. That includes the hundreds of small Alaskan-owned and operated businesses that support the oil support industry. These companies have employees and costs invested in projects that hire Alaskans and support Alaska's economy.

Like you, I understand that the state's fiscal condition is on shaky ground. While resource development industry taxes may need to be part of the larger solution – Ballot Measure 1 is not the right way to do it. It is essential to understand that Ballot Measure 1 does not only target the big, legacy North Slope oil fields – but the smaller fields, too. If passed, the new tax structure could provide a short-term bump to state revenue. However, it will lead to a severe drop in oil company investment in Alaska. This will further deteriorate Alaska's competitive position resulting in the loss of oil production, royalties, and production tax will have, more prolonged downward effects in the long term.

Alaska cannot afford to be taken out of the game by becoming uncompetitive in the world market. Businesses will choose to invest where they can get their greatest return – it's the Alaskan-owned support industry that will be the most harmed. The group opposing the ballot measure is the most diverse coalition of 400 businesses, labor unions, Native Corporations, and individuals that I have seen join together to fight for the state's future.



Ballot Measure 1 isn't about the oil companies – it's about Alaska's economy, and us as Alaskans.

Please join me in voting No on Ballot Measure 1.

For more information, visit www.onealaska.com.