

The Palin-Parnell Administration presents

ACES

Alaska's Clear and Equitable Share



Community Briefing
Anchorage
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- Brief Overview of ACES
- Opportunity for Information and Discussion
 - Three Stations to Discuss Issues Important to ACES

Why ACES?



- **PPT is Not Stable**
 - Lacks public confidence
- **PPT Does Not Protect Alaska's Interests**
 - State lacks necessary tools (people, information, clear rules)
 - Left loopholes (i.e. corrosion costs)
 - Does not protect state in high-cost / low price conditions
 - Does not provide equal value for explorers
- **ACES is Needed for Alaska**
 - Protects Alaska's Interests
 - Restores Public Confidence
 - Increases state share while preserving investment climate

What is ACES?



- Hybrid Tax System
 - Net Tax Base
 - Gross Tax Floor
- Tools to Protect the State's Interests

What is ACES?



- Hybrid Tax System
 - Net Tax Base
 - 25% Rate
 - Adjustments to Progressivity
 - Adjustments to Qualified Capital Credits
 - Improved credit system for explorers
 - Elimination of TIE credits (for past expenditures)
 - Gross Tax Floor (Not Additive)
 - 10% on Prudhoe Bay and Kuparuk Fields
 - Will kick in at low oil prices

What is ACES?



- Tools to Protect the State's Interests
 - Competitive Pay for Auditors
 - Information Needed by the State
 - Cost forecasts
 - Expenditure details in a timely manner and useful format
 - Information sharing between state agencies
 - Public disclosure of certain information
 - Clear Rules
 - Define allowable lease expenditures
 - Exclude inappropriate deductions (Corrosion / Dismantlement, Removal, & Restoration)

- Opportunity for Information and Discussion
 - **Three Stations** to Discuss Issues Important to ACES
 - Does ACES Strike a Fair Balance Between Industry and Government?
 - 1 – Can Alaska Compete with Other Oil and Gas Regions?
(Government Take, Reserves, etc.)
 - 2 – Does ACES Preserve Alaska Investment Opportunities?
(Oil Field Economic Modeling)
 - What Tools Are Being Added by ACES and Why Are They Needed?
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