



**LEGISLATIVE BUDGET & AUDIT COMMITTEE**  
Representative Ralph Samuels, Chairman

**MEMORANDUM**

TO: All Legislators

FROM: Representative Ralph Samuels, Chair  
Legislative Budget and Audit Committee

DATE: October 12, 2007

RE: Consultants Hired by LB&A

---

The Legislative Budget & Audit Committee has entered into contractual arrangements with the following individuals and firms for the upcoming Special Session:

Dan Dickinson, CPA CMA  
Steve Porter  
Econ One –Barry Pulliam and Washington Lem  
Daniel Johnston  
Pedro Van Meurs

Dan Dickinson, Steve Porter, and Econ One Research will assist the Legislature in its consideration of possible changes to AS 43.55 – the Petroleum Profits Tax (PPT). This assistance at the direction of the LBA Chair or Project Director may include but will not be limited to:

- ❖ Providing analysis of PPT highlighting its strengths and weaknesses
- ❖ Evaluating legislation and related materials proposed by the Governor
- ❖ Providing assistance in developing amendments
- ❖ Developing requests for data from the Administration regarding PPT

LB&A Process Memorandum

Page 2

October 12, 2007

- ❖ Evaluating testimony, models, and analysis presented to the Legislature during its consideration of PPT
- ❖ Analyzing the fiscal impact on investment by current producers and explorers under the proposed PPT changes
- ❖ Analyzing potential impacts to future producers and explorers under the proposed PPT changes
- ❖ Assist the Legislature with public hearings on the proposed changes to AS 43.55

The Consultants will respond to any additional related questions that may be posed by the Legislature. However, for purposes of responsible contract management by the LBA Chair and the Project Directors, the LBA Chair must give written approval prior to work being performed by the Consultant that is a request from another Legislator or Legislative staff that has been submitted to the Consultant, the LBA Chair or the Project Directors. Additionally, all requests from other committee chairs for the Consultant to testify, or otherwise make himself available for participation in a committee meeting, must be approved in writing by the LBA Chair prior to such participation. A written record of these requests and their disposition will be maintained by the Project Directors.

Pedro Van Meurs and Daniel Johnston will be made available to the Legislature through an LB&A meeting on October 18, 2007, from 10:30 am to 5:00 pm. We have asked them to give a presentation on PPT in its current structure compared to similar oil provinces around the globe; and, a discussion of costs. Please note that LB&A is contracting with these two consultants for this presentation only.

Attached to this memorandum are the documents that have been produced by these consultants to date. These will be posted on the LB&A web site. Any future documents produced will be distributed and posted on the LB&A web site.