



November 9, 2007

Honorable House Speaker John Harris
Alaska State House of Representatives
State Capitol Building, Room 28
Juneau, AK 99801-1182

Transmitted via fax: 907-465-3799

Re: CS HB2001 (RES)

Dear Speaker Harris:

I am writing on behalf of Cook Inlet Region, Inc. (CIRI) to express CIRI's concern over one aspect of CS HB2001 (RES), the version of Alaska's Clear and Equitable Share ("ACES") legislation currently before the House of Representatives. While we believe there are many positive aspects to the ACES legislation, including exploration incentive credits intended to spur new development in the state, we are concerned with Section 34(f)(2)(B)(i) and (ii) of the bill, which requires public disclosure of proprietary seismic and other data gathered on native corporation lands.

In 1971, Congress enacted the Alaska Native Claims Settlement Act ("ANCSA") which, among other things, distributed 44 million acres of land to Alaska Natives in compensation for the surrender of extensive aboriginal land claims. Along with that land, came the rights to all of the information and data which can be generated from it. Such information, like all proprietary business information, is highly valued and closely held by native corporation landowners. It can significantly influence both competitive bidding processes and one-on-one resource negotiations. It also has intrinsic economic value, as a commodity regularly bought and sold in the resource community. Compelled public disclosure of such information permanently destroys this value and is, we believe, a decision which should be left to the landowner alone.

Under Section 34(f)(2)(B)(i) & (ii), lessors seeking tax credits under the Act would be compelled to release to the state, not only seismic and well data generated on state lands, but data generated on "non-state" lands as well. Such data would then be released to the public under specified time frames. "Non-state" landowners would have no say in the public disclosure process, as the current version of the bill contains no provision requiring consent of the landowner before release of the data.

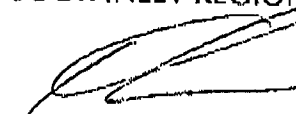
It is, of course, a policy decision for the state as to whether to publicly release, or require its lessees to release, proprietary data generated from its lands. However, we believe it is unfair for the state to adopt a taxing scheme specifically designed to force private landowners to do the same. Denying tax credits to the potential lessees of those private landowners who resist public disclosure has exactly this effect. It is particularly troubling that the burden of this provision will fall primarily on Alaska Native Corporations, who represent, by far, the largest private holders of subsurface lands in the State of Alaska.

In summary, we would urge that CS HB2001 (RES), Section 34(f)(2)(B)(i) & (ii) be amended so as to require the consent of Alaska native corporation landowners before the public release of sensitive proprietary data generated on their lands.

We appreciate the opportunity to comment on this important legislation and would be available to answer any questions you may have regarding the foregoing.

Sincerely,

COOK INLET REGION, INC.



Keith A. Sanders
Senior Vice President, Land & Logal Affairs

cc: Representative Reggio Joulc, District 39 Representative
Representative Ralph Samuels, House Majority Leader
Representative Both Kerttula, House Minority Leader
Representative Mike Chenault, Co-Chair House Finance Committee
Representative Kevin Meyer, Co-Chair House Finance Committee
Representative Mary Nelson
Representative Richard Foster