

January 31, 2005

Please consider this for a Compass Piece.

By the time this Compass Piece hits the paper, Exxon-Mobil will have announced its most profitable quarter in history. The British Press has already covered this news, and noted that Big Oil was making great efforts to keep the British government from putting a windfall tax on the oil industry. Hmmm.

Meanwhile, here in the backwater, the governor makes a mousey change in oil severance tax, and the oil companies scream "unstable tax climate!" Oh how unreliable and ungrateful we Alaskans are. Gosh, it's only been 16 years since the ELF was last changed.

Governor Murkowski didn't do nearly enough in my opinion, but at least he did move in the right direction. This week should do much to expose the record quarterly profits by all the oil majors. Considering how both Top Guns at BP and Conoco-Phillips pounced on Murkowski for his minimal tax change (ADN, 1/28/05), you'd think they'd be embarrassed to do this in the middle of their obscenely profitable moment. The profits amply demonstrate the idleness of their threats. They're going to divest their plans for Alaska, even pack up and leave, don't you know. Really? While they've never made more profit in history, and they have billions invested in infrastructure here?

Understand this Alaskans: the British government thinks the oil companies can afford a windfall tax (The Guardian, 1/31/05). Don't you think BP, Conoco-Phillips and Exxon-Mobil can too, here in Alaska? If I'm not mistaken, BP still is an abbreviation of British Petroleum. I'm not suggesting greed here. It's in the constitution, that we "shall receive the maximum benefit for the State's resources". (Article VIII, sec. 2, Alaska Const.)

Every year legislators swear to uphold our Constitution when taking their oath of office. But it is something they have not done in 16 years. Notice that Frank Murkowski didn't change the ELF. He didn't mention the oil profits companies are reaping (and in which the state is not fully sharing). Oil is creeping toward \$50 a barrel again, and OPEC says it will likely stay there all spring (Guardian, Ibid).

Governor Murkowski makes a token change in oil severance taxes, when he should rid us of the ELF entirely. And he does it all without making the legislature vote.

The Murkowski years: too little, too late, too bad for us. Big oil, with big profits, holding all the cards. Just whose state is it, anyway? Where is the legislature, and why aren't they getting us a fair share of oil revenue?

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