

## Why Not be Bold?

Abba Eban, an Israeli diplomat, once remarked about an opposition group in some diplomacy he was involved in: "They never miss an opportunity to miss an opportunity." The pending sale of the Williams Refinery could be described that way too. It is the state, and local interests that are missing the opportunity here though. I'd like to raise a few questions about this unusual sale, which have not been adequately addressed, by our politicians and leaders, or the press.

Since this is the most important refinery in Interior Alaska, is crucial to our energy supply, uses our royalty crude oil for producing locally necessary products, and has few outside options for marketing, one might think we'd have a GREAT interest in local ownership of the refinery. In fact, that's how it started out. It was originally locally owned. A smaller refinery, Petrostar is owned by Alaskans, and is a subsidiary of Arctic Slope Regional Corporation. For what compelling reason should we allow our local production of essential petroleum products to remain in the control of outside corporations? Why let them reap the profits of our resources for their stockholders? This makes absolutely no sense. If there is a compelling benefit to us from this arrangement, I'd like to hear our politicians explain it. Maybe it's that love affair with good old colonialism we just can't get over. Governor Murkowski does the hard sell of our resource economy, promising that it will bail us out of our fiscal situation. Yet here is the most profitable industry in the state, it's up for sale, serves most of our needs, and we don't even make an effort to buy it! How come? Instead, Murkowski gives more than 50 million dollars worth of tax incentives to explore for more oil to other outside oil corporations. But, I'm only a local voter. Obviously these schemes are too brilliant for me to understand.

I see no compelling financial or legal barriers to the state of Alaska (through the Permanent Fund, AIDEA, or a dedicated public corporation), owning and operating our refinery for local needs, and returning local profits to our economy (I mean DUHHH!). But, I am not a legal scholar, and would like to hear from one on this issue. A governor or local legislator who had our interest at heart would've hired a good attorney or oil expert to make this case for us, don't you think? It's time someone pointed out that public ownership of the oil refinery would take it out of competition with a gas line for in-state resource markets. Now, a private refinery has little interest in seeing a natural gas competitor come onto the scene. They might even be working against it. How shocking.

I have asked the local electric cooperative, GVEA, at its annual meeting about buying the local refinery. After all, they are proudly announcing that they are going to become further dependent on that local refinery by constructing a naphtha-fired electric generator next to the refinery to supplant the very distressing result from the hundreds of millions of dollars invested in the Healy Clean Coal Plant, which hasn't yet generated one watt of profitable electricity. When I asked the GVEA board to consider buying the refinery, their lawyer, who is supposed to work for us cooperative members, said, " we can't come up with the financing!" Hmm. I am not a Nobel prize-winning economist, but I know one crucial thing about this situation. GVEA has the astoundingly strategic

advantage of *owning* the pipeline connection from the Alyeska pipeline to the refinery. They literally control the valve. I would think this has enormous clout in any negotiation. What good, after all, is a refinery without access to the oil? If I had that kind of clout, I'd at least get a seat at the table. I like the idea of GVEA, which is an organized *cooperative with* a public service mandate, owning this refinery, much more than I do a private, outside corporation. Seems to me it would simply have to be better for us. This is especially so now that the major contender for the ownership is a privately held corporation (that means NO stockholders, in case you weren't aware of that), Flint Hills, a subsidiary of Koch Industries. More worrisome is that company's appalling history of environmental crime. They were fined the highest ever fine for environmental damage ever levied by the USEPA, for oil spills in the lower forty-eight, mainly in Texas. Do we really want to see this sort of stewardship of our most important refinery? Or could we actually benefit by owning a significant part of our own oil industry? How about an uncommonly bold move for Alaskans?

Rich Seifert  
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P.O. Box 10935  
Fairbanks, AK 99710