

Introduced by: Brown, Glick,
Reilly, Scalzi, Torgerson
Date: 3/16/93
Action: Adopted
Vote: Unanimous

**KENAI PENINSULA BOROUGH
RESOLUTION 93-24**

**A RESOLUTION SUPPORTING A REQUEST BY TESORO ALASKA AND MAPCO
FOR CAPITAL CREDIT**

WHEREAS, the Kenai Peninsula Borough supports Tesoro Alaska and Mapco's request to credit the value of future capital investments (in-state) against their royalty settlement; and

WHEREAS, the value-added refiners have incurred claims from the state of over \$300 million in retroactive price increases following the settlement of the Amerada Hess case for Alaska North Slope Crude Oil they purchased over a 10+ year period in the 1980's which such claims exceeding the continued assets of the companies in Alaska; and

WHEREAS, the value-added refiners in Alaska represent one of the most successful and efficient utilizations of Alaska's natural resources resulting in in-state manufactured fuel availability to 90% plus Alaskans; and

WHEREAS, there are ample precedents of state and federal policy and law providing investment credits from some or all such obligations; and

WHEREAS, the availability of investment tax credits can provide exceptional return on the investments in terms of long term employment, tax revenue, and business stimulation; and

WHEREAS, such investments will further assure the continued viability of the value-added refinery industry and provide immediate benefits to the state; and

WHEREAS, one of Tesoro's proposed capital investments will be a pipeline that will eliminate Tesoro's need to transport crude by tanker; and

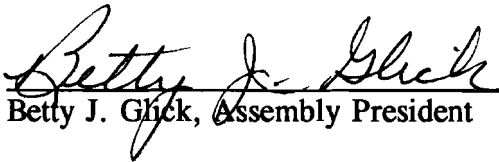
WHEREAS, this proposed pipeline will greatly reduce the potential environmental disasters in the Cook Inlet;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

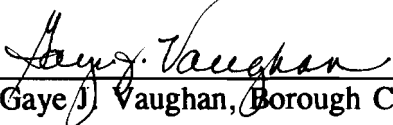
SECTION 1. That the Kenai Peninsula Borough supports passage of Senate Bill 134 and House Bill 185 and urge the legislature to pass bills that stimulate investment to the maximum extent allowed by State law.

SECTION 2. That copies of this resolution be sent to Governor Walter J. Hickel, Senators Suzanne Little, Judith Salo, Georgianna Lincoln, Fred Zharoff, and Jay Kerttula, and Representatives Mike Navarre, Gail Phillips, Gary Davis, Irene Nicholia, Cliff Davidson and Curt Menard.

ADOPTED BY THE KENAI PENINSULA BOROUGH ASSEMBLY THIS 16th DAY OF MARCH, 1993.


Betty J. Glick, Assembly President

ATTEST:


Gaye J. Vaughan, Borough Clerk