

ALASKA'S ECONOMIC FUTURE: WHAT ROLE FOR A NORTH SLOPE NATURAL GAS PIPELINE?

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Public Forum on the Alaska Natural Gas Pipeline
Sponsored by the Federal Coordinator
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PETROLEUM DRIVES THE ECONOMY



PETROLEUM

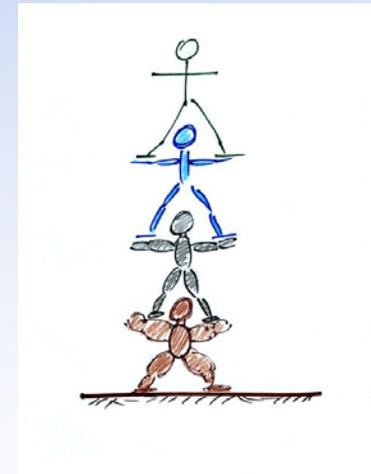
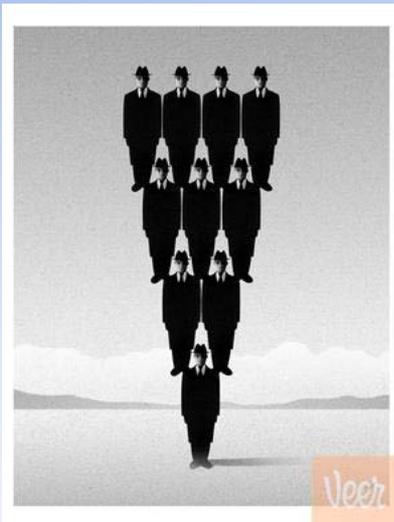


TOURISM



- Jobs

- Complexity



HOW TO GET \$5 BILLION IN STATE REVENUE FROM OTHER SOURCES



**\$6,667 / OZ.
GOLD**

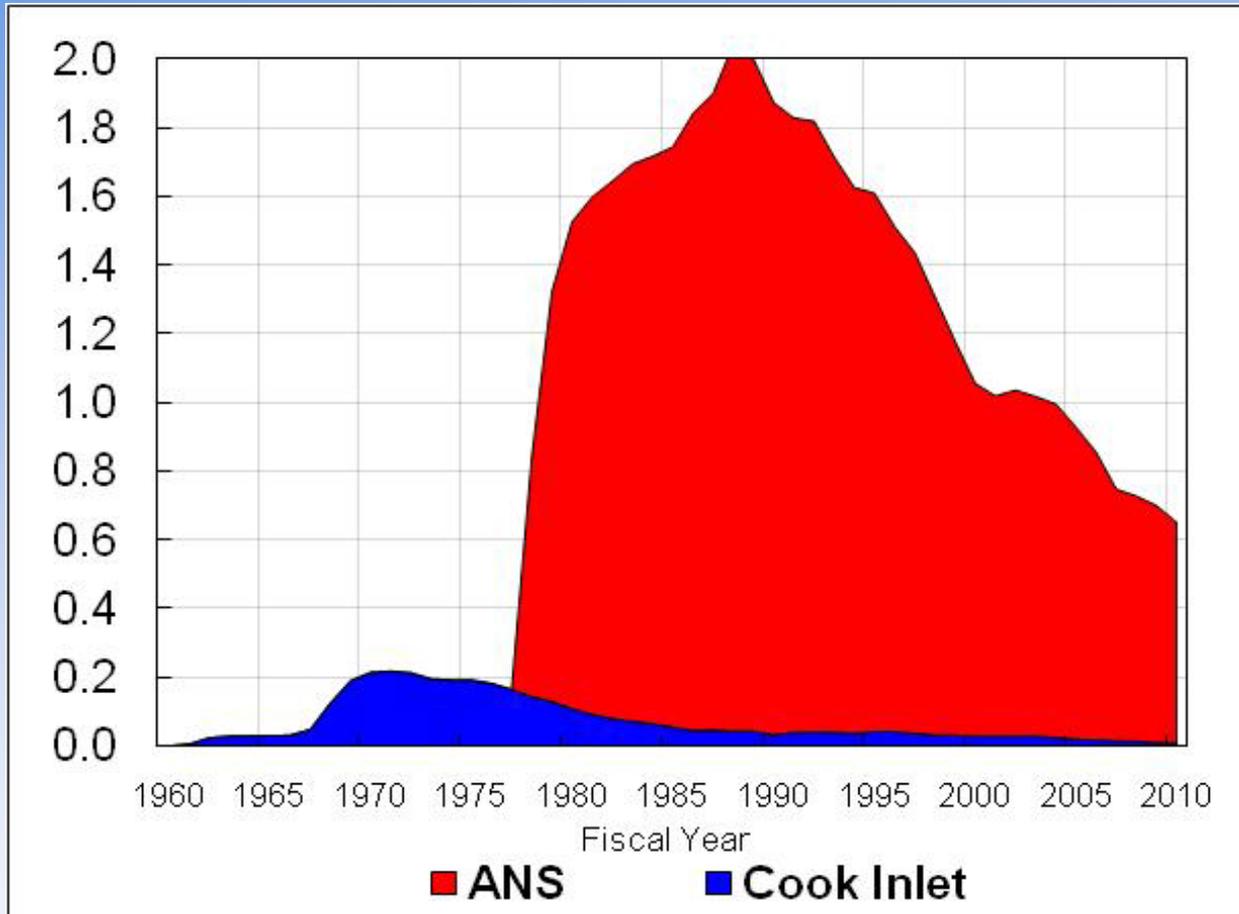


\$33 / SALMON



**\$3,333 /
TOURIST**

OUR ECONOMIC FORTUNES ARE TIED TO PETROLEUM (MMBPD)



COULD THE FUTURE ALASKA ECONOMY LOOK LIKE THIS?



THE NON-PETROLEUM STRATEGIES FOR THE FUTURE

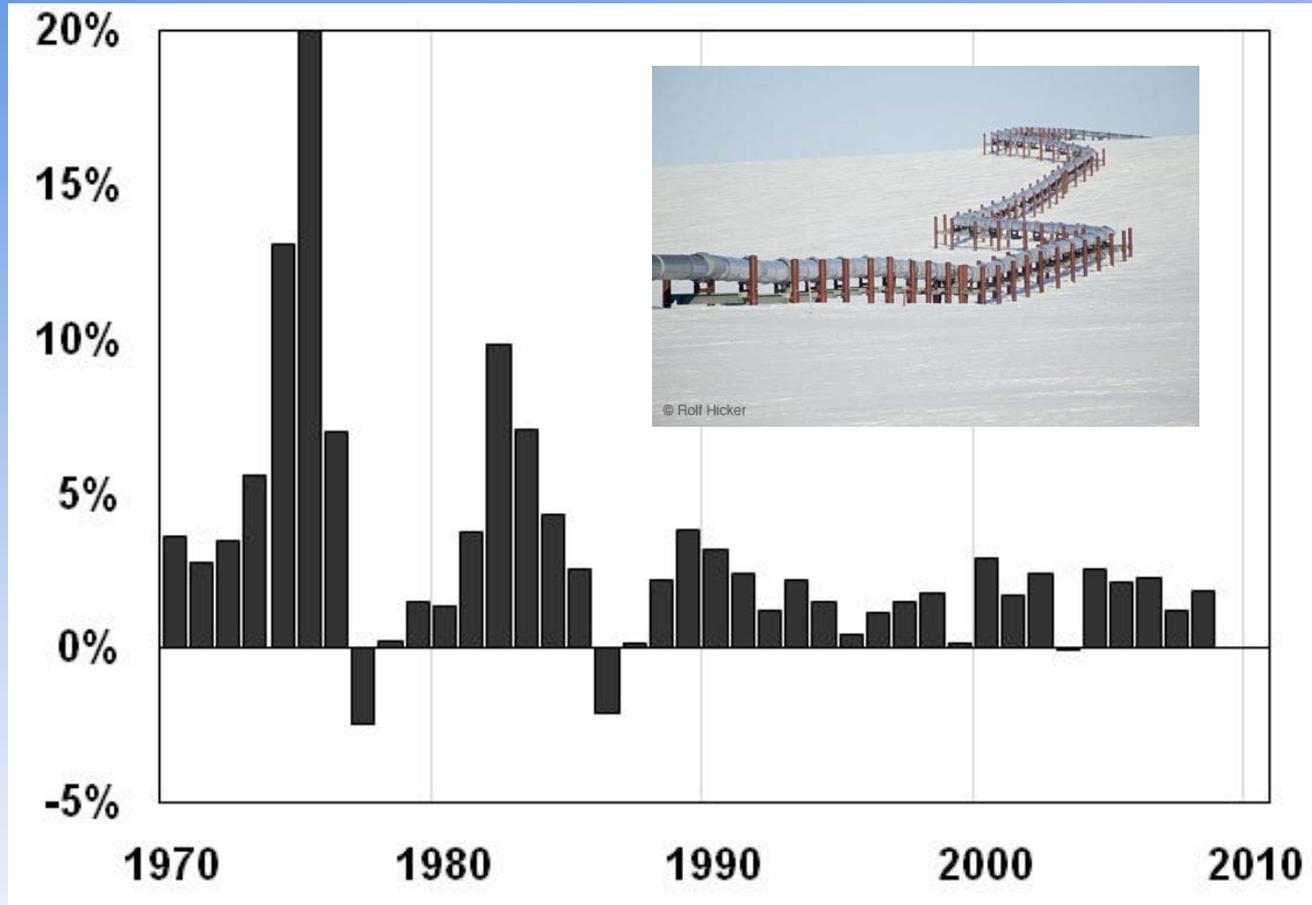
- Natural Resource Development
- Value Added Processing
- Economic Diversification
- Infrastructure Investments in Power and Transportation
- Footloose Industry
- Renewable Energy

DOES PETROLEUM HAVE A FUTURE IN ALASKA?



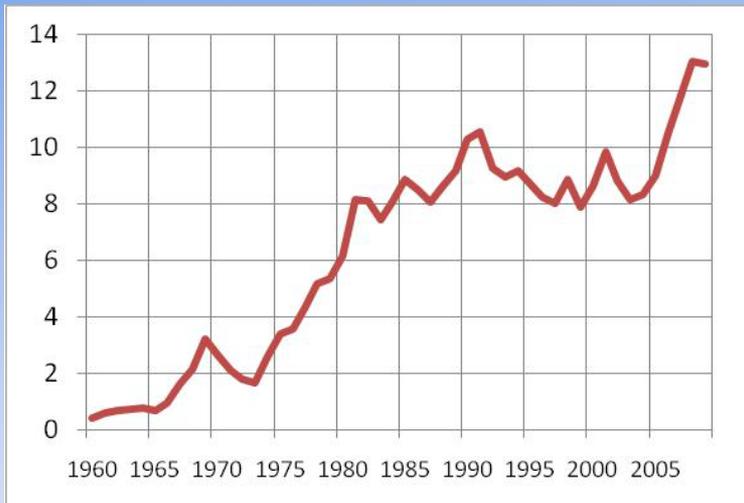
	Oil (Billion Barrels)	Gas (TCF)
PRODUCTION TO DATE	16	-
KNOWN STATE: Colville-Canning	4.5	37.5
TECHNICALLY RECOVERABLE	33.6	148.8
ANWR 1002	10.3	3.8
OCS Beaufort	6.9	32.1
OCS Chukchi	15.5	60.1
NPRA	.9	52.8
OTHER	?	?

PIPELINE CONSTRUCTION JOBS: BOOM AND BUST

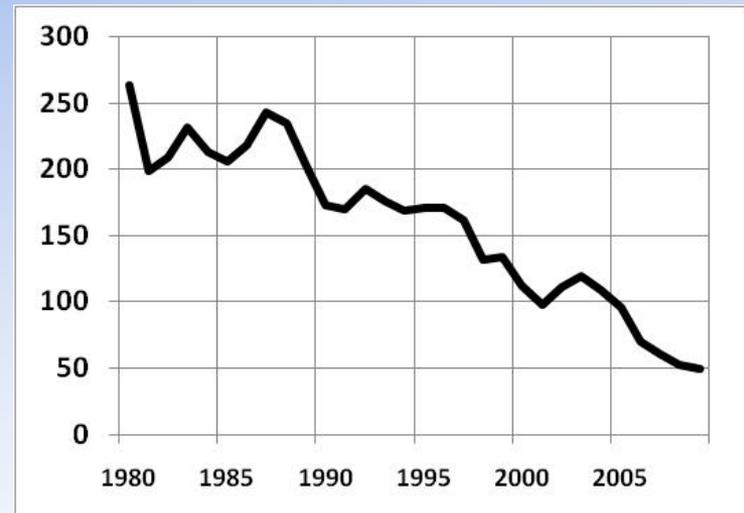


EMPLOYMENT IN THE OIL PATCH

TOTAL



Barrels per Worker



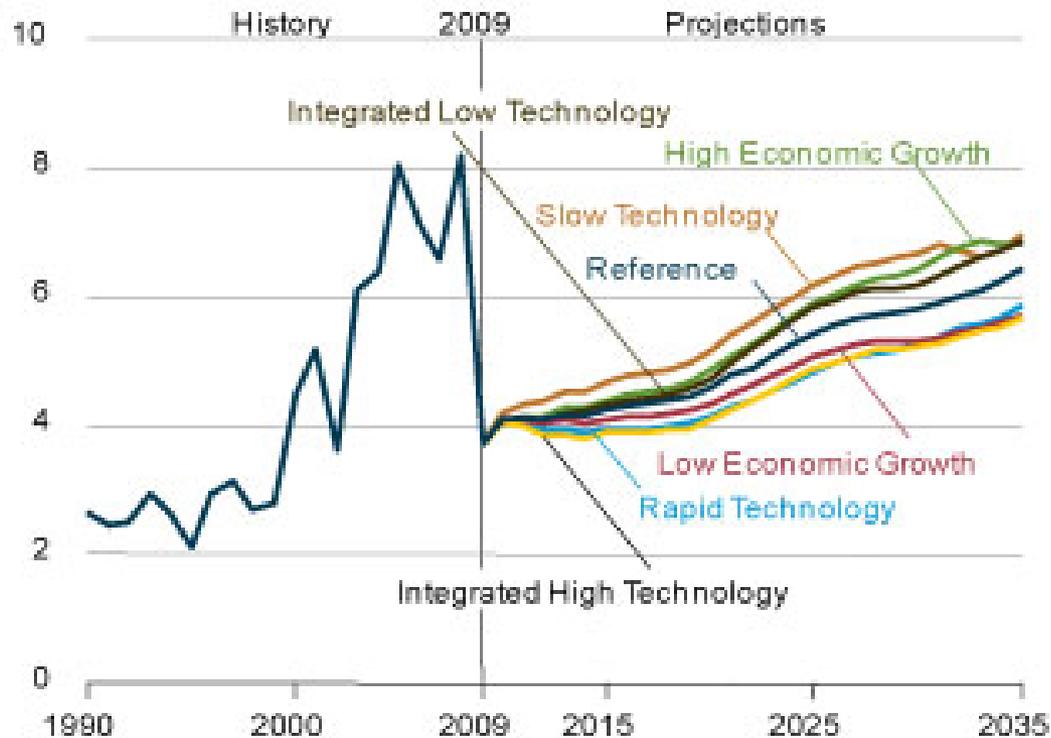
EMPLOYMENT IMPACT: BEYOND CONSTRUCTION

- KNOWN GAS
- NEW EXPLORATION
- OIL PRODUCTION AND
DISCOVERIES
- COST OF OPERATING IN OIL
PATCH
- OUTSIDE THE OIL PATCH



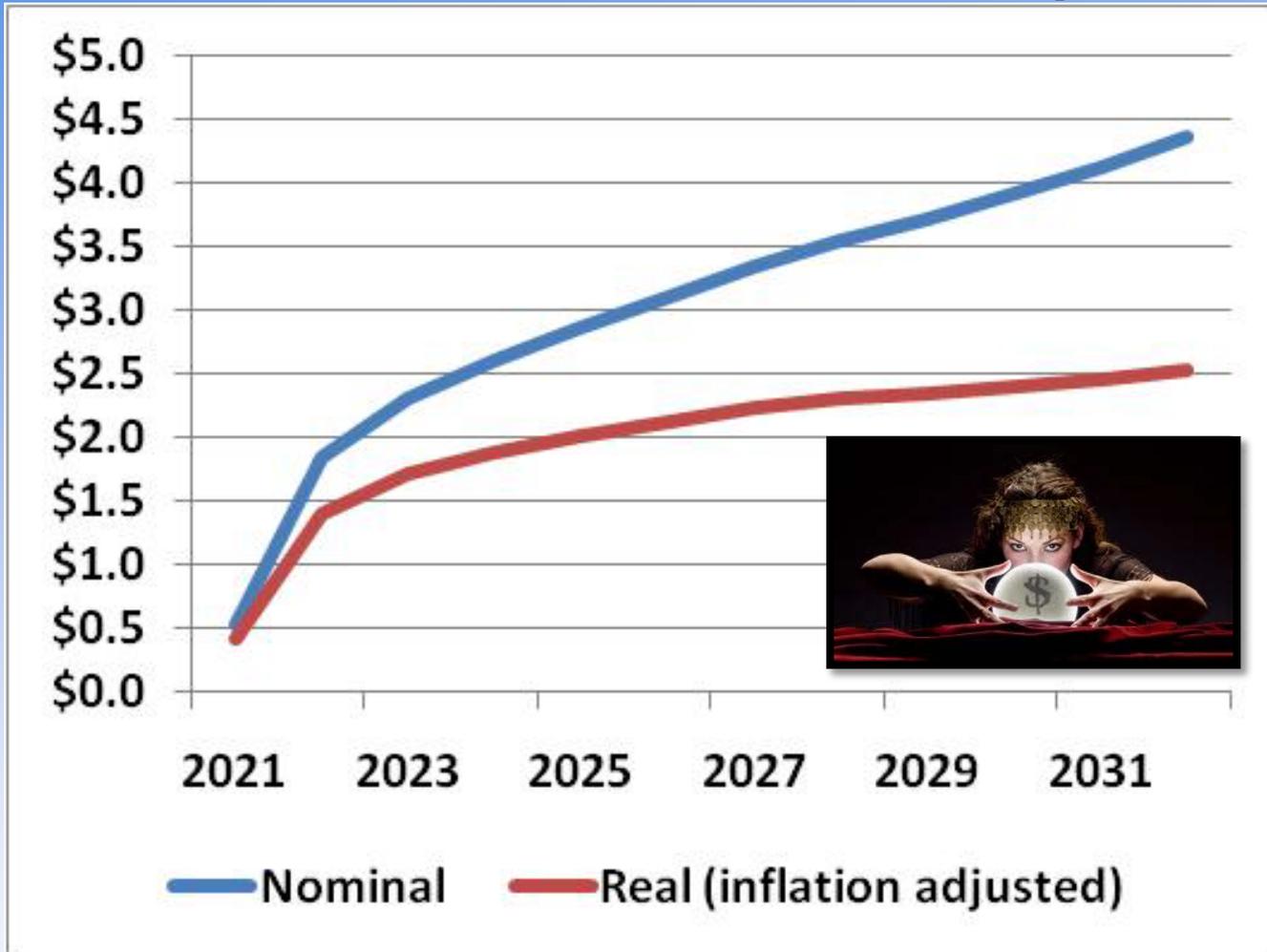
GAS PRICE PROJECTION

Figure 88. Annual average lower 48 wellhead prices for natural gas in seven cases, 1990-2035 (2009 dollars per thousand cubic feet)

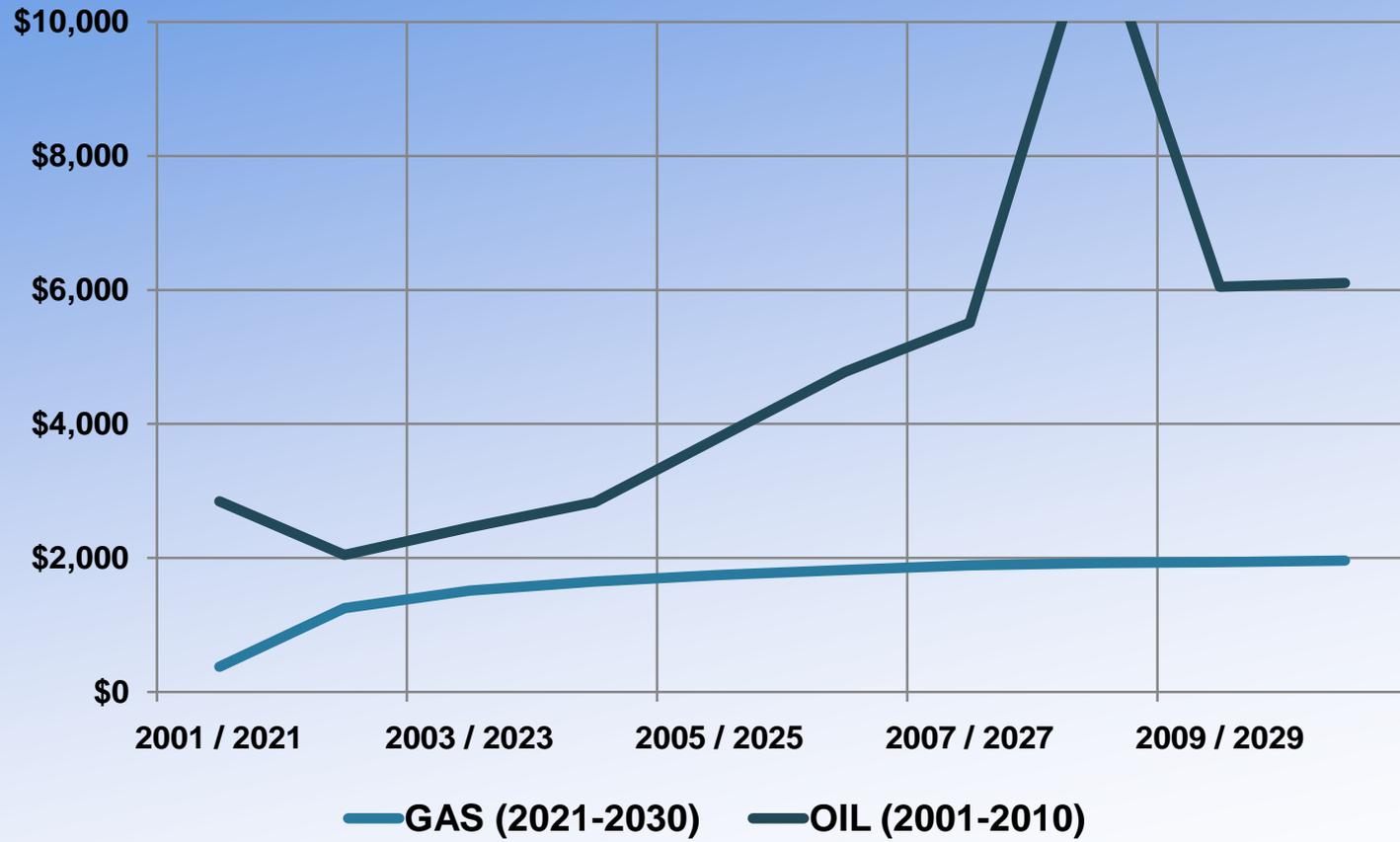


Source: IEA, AEO 2011.

GAS REVENUE PROJECTION (Billion)



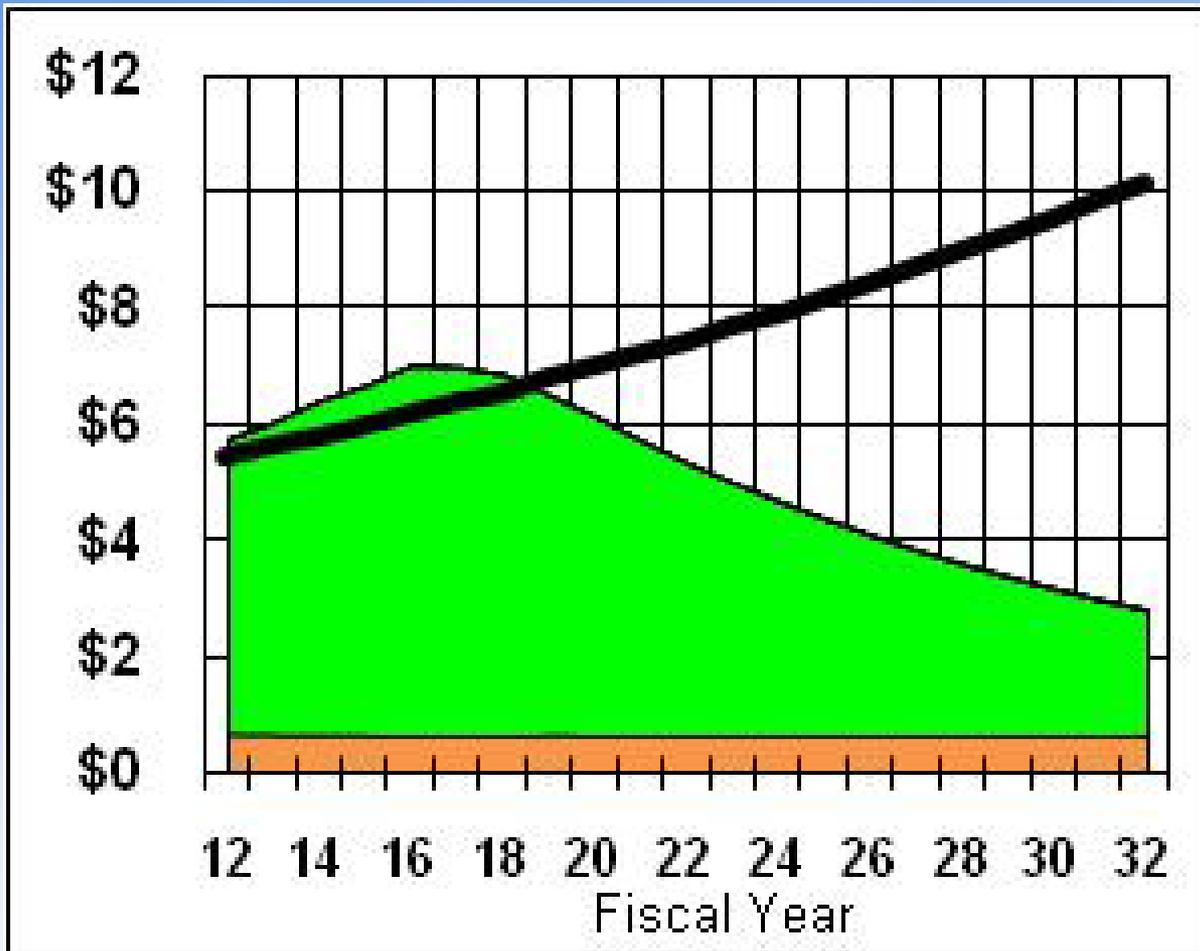
GAS VS OIL REVENUES (Million)



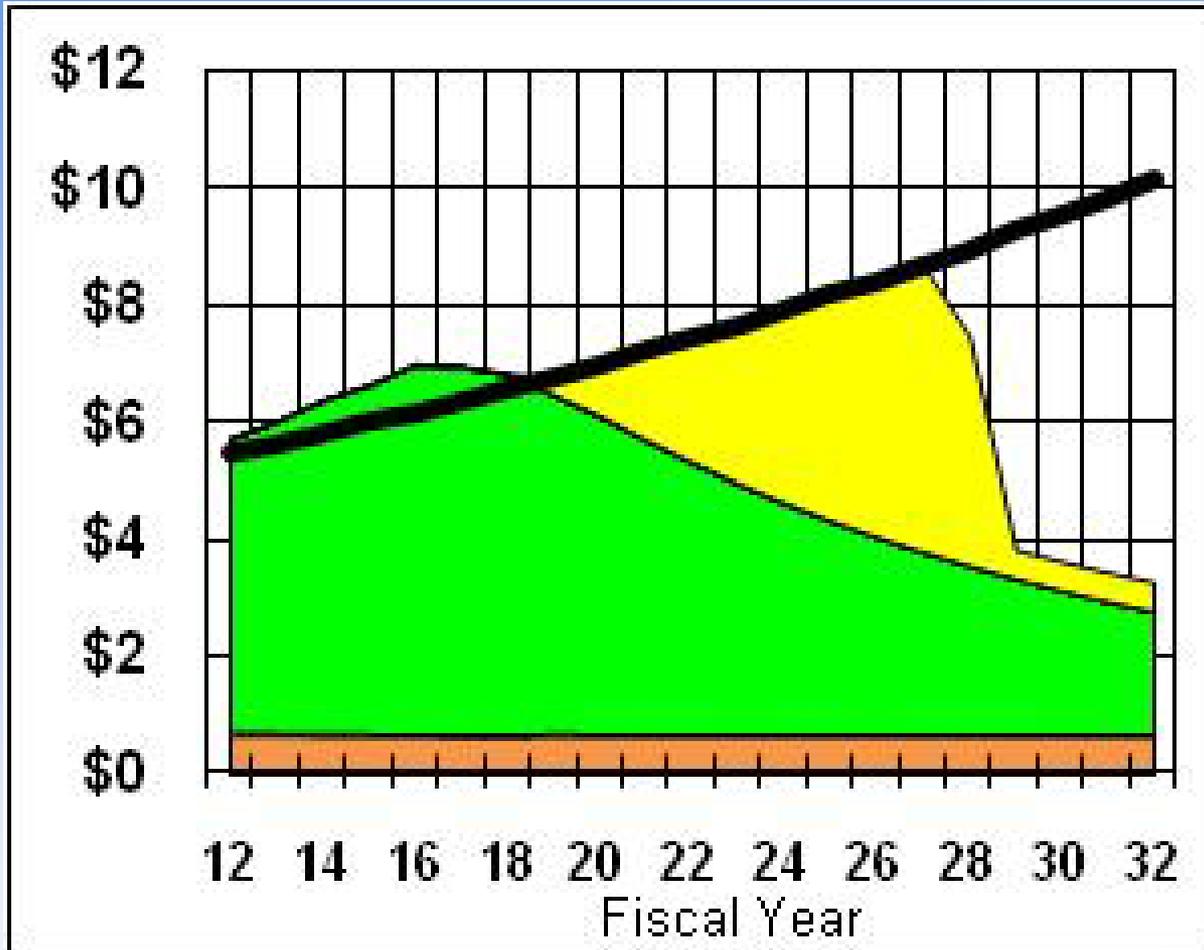
REVENUE FROM OTHER OIL

- ANWR
- OCS
- NPRA
- Unconventional Oil

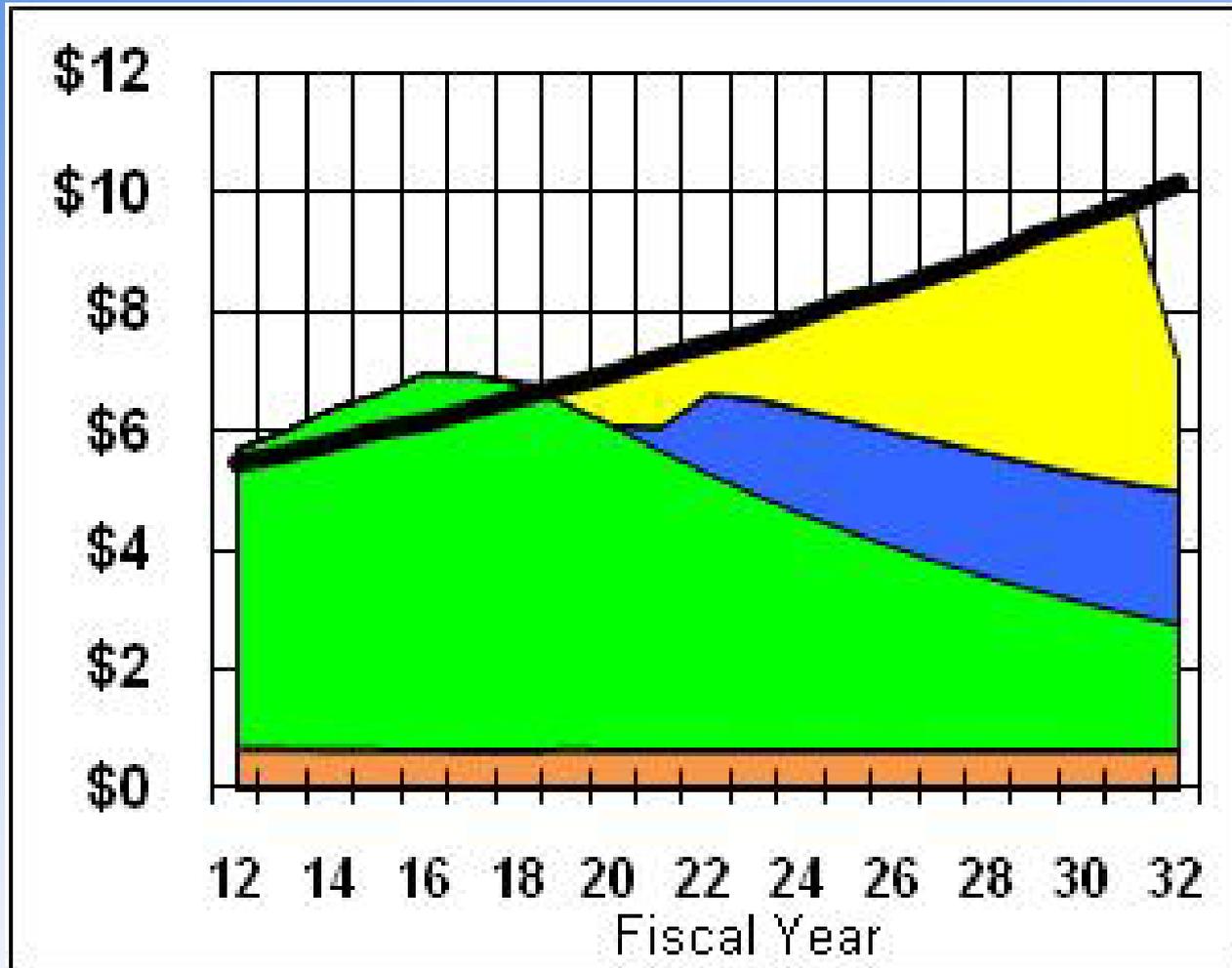
STATE GF REVENUE PROJECTION



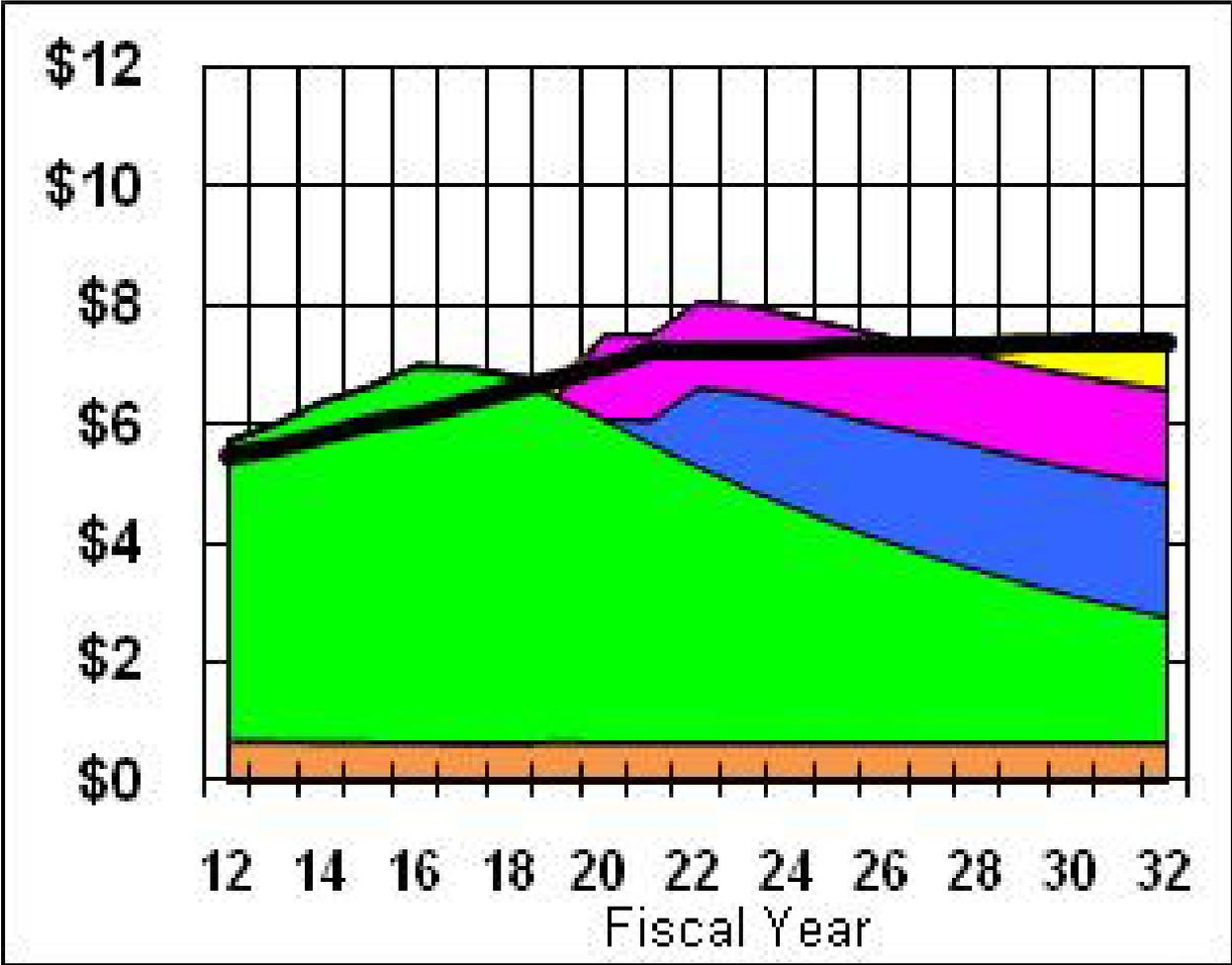
STATE GF: USE OF SAVINGS



STATE GF WITH GAS REVENUE



STATE GF: BALANCED SOLUTION



PERMANENT FUND



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