

FEDC President calls for In-State gas line to promote economic diversity

Alaska's economic future is clouded by our lack of economic diversity, declining gross state product and the decline of Alaskan's per capita income. For the past 30 years 2/3 of Alaska's economy has been driven by the oil industry and government spending. Recently, we have seen declining crude oil production on Alaska's North Slope and decreased Federal spending on Alaska projects.

Many countries, states, and communities around the world are economically depressed due to a lack of resources and opportunities; not Alaska. Alaska has tremendous resource potential and almost unlimited opportunities, but Alaskans have lacked the will and leadership to invest in their own economic future. Bolstered by the belief that the past 30 years of Alaska's economic fortune can be repeated, Alaskans continue to look outside sources for the next major construction project and hope for continued federal spending to support our economic house of straw. The clear vision of the framers of Alaska's constitution, to build a state by using the funds generated by the sale of Alaska's natural resources, has faded to a distant blur. Driven by legislative regionalism and lack of belief that Alaska is our responsibility; even Alaska's most economically successful community, Anchorage, has to question its economic future.

The time has passed for Alaska to recognize that total reliance on the oil industry and federal spending to drive over 60% of our economy is non-sustainable. That model grew government, but failed people; it grew a few communities, but not a state. Alaska is unique; we have 680,000 people living in 650,000 square miles. We are not a viable market for private industry to build our infrastructure. We should not expect others to invest in Alaska when we continue to fail to invest in ourselves.

The lack of affordable energy is a major contributor to Alaska's state-wide economic woes. Over 80% of Alaska's communities and 50% of Alaska's population are paying four times the national average for their energy costs. No viable economy can exist while constrained by such staggering costs. With declining oil dollars flowing to state government and reduced federal spending in Alaska, it is doubtful all Alaska communities will remain sustainable. Our state is changing; rural communities that have existed for hundreds of years are losing population, schools and business due to staggering energy costs. Even Fairbanks, Alaska's second largest city, is suffering due to the cost of energy. While we can accept change, we cannot accept failure.

Those communities that can develop a sustainable economy should be given an opportunity. We have the resources and the capacity to take charge of our own economic destiny. An instate natural gas pipeline can be the solution for all Alaska's energy needs; affordable energy in Alaskan communities can be the foundation for building viable and sustainable economic opportunities and creating Alaskan jobs.

The goal should be affordable energy to all Alaska, not just Cook Inlet and Fairbanks, but an energy solution that would serve all Alaskans. Today we can make no better investment for the future generations of Alaskans, than the development of a state-wide energy solution; build the In-State Alaska Natural Gas Line.