Should Big Oil & Gas Corporations Pay Their Fair Share?

Alaska’s constitutional framers required our politicians to use, develop and conserve our natural resources for the “maximum benefit” of all Alaskans. While Inletkeeper interprets this mandate to mean we should immediately transition to a clean energy economy to create new jobs and combat the enormous threats to our way of life posed by climate change, Alaska should still get its fair share from oil and gas corporations as long as we’re producing our publicly owned fossil fuel resources.

As Alaska Governor Jay Hammond recounted: “When I was in office, the state, the oil companies and the federal government agreed to split the oil wealth pie roughly one-third, one-third, and one-third.” Today, however, we actually owe some of the largest corporations on the planet more in tax credits than we take-in from production taxes. Something’s very wrong.

Alaska is staring into the maw of its most serious financial crisis ever. Funding for our seniors, our kids, our schools and our police and firefighters are all on the chopping block. The basic problem is simple - we’re spending more than we’re taking in. There are three things we can do – 1) increase revenues from oil and gas production; 2) increase taxes and revenues from non-petroleum sources; and 3) spend down our savings, including our

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Thanks to YOU, We’re Mapping Middle Creek

Thermal imagery mapping helps us understand the complex hydrology of Alaska’s non-glacial salmon streams. Thermal imagery can help find important cold, groundwater inputs or “thermal refugia” that create essential cold water habitat for fish, especially as our streams in Cook Inlet continue to warm.

You raised over $8,000 which was matched by an anonymous Alaskan for a total of $16,000. With these funds we will use thermal imagery to map Middle Creek at the headwaters of the Chuitna River on the west side of Cook Inlet – ground zero for the proposed Chuitna Coal Mine.

As PacRim Coal moves forward with permit applications that call for removing 14 miles of salmon spawning and rearing habitat, destroying more than 1400 acres of ancient fen bog wetlands, and draining the surrounding area, we need every tool at our disposal to demonstrate that this is not responsible development.

As we prepare for a new, unknown era at the Environmental Protection Agency that may include key decisions about the proposed Chuitna Coal Mine, this new information will help us demonstrate why recreating the complex hydrology of a salmon stream has never been done before, because it is not possible.

We will always push for science to guide responsible policy decisions. Thank you for standing with us.
Last year Inletkeeper petitioned the Alaska Oil & Gas Conservation Commission (AOGCC) to subject hydraulic fracturing (“fracking”) permits to basic public notice and comment practices. At a December 2016 hearing in Anchorage, the AOGCC Chairwoman openly castigated Inletkeeper for its audacity in asking for more transparency in fracking operations. Despite this highly unprofessional display, the three-member AOGCC proposed recently to allow Alaskans 10 days to review fracking permits. While this is a positive step forward, the proposal lacks considerable details, including whether AOGCC would have to consider comments submitted before issuing a permit. Furthermore, 10 days is not enough time to review the complexities of fracking operations, especially when oil and gas corporations typically get 30 days or more to review proposals. Finally, the proposal allows oil and gas corporations to decide what constitutes secret business information that would be unavailable to interested Alaskans. As a result, while the AOGCC proposal moves in a positive direction, its vagueness and its secrecy provisions do not reflect a seriousness from AOGCC to inject more transparency into decisions that implicate Alaskans’ drinking water and salmon streams. There will be another hearing in Anchorage before AOGCC on March 23. Check our web and facebook pages for more info, or contact keeper@inletkeeper.org.

Is Oil Tax Giveaway Fair?

Some argue we need to cut more state spending. But with a budget deficit greater than $3 billion and growing, and state funding for all government services combined coming in just under $4 billion, we cannot cut our way to budget solvency without eliminating basic services Alaskans need and deserve.

So what to do? Last year our politicians refused to address the gorilla in the room – massive tax credits and other loopholes for our largest oil and gas producers. Instead, they cut in half the permanent fund dividend for every man, woman and child in the state. Now, we're hearing proposals for more PFD cuts, and increased revenues from new statewide income and sales taxes on families.

Consider this: between 2012 and 2016, our revenues from oil and gas revenues (which includes property taxes, royalty share, production taxes and corporate income taxes) dropped from $9.7 billion to $1.5 billion. Oil and gas taxes and revenues are complicated stuff, but these declines are not solely the cause of low oil prices. For example, when ConocoPhillips released its 2016 4th quarter Securities & Exchange Commission Report earlier this year, we learned it profited $319 million in Alaska producing 163,000 barrels of oil per day and 25 million cubic feet of gas. Yet in the Lower 48, ConocoPhillips produced 195,000 barrels of oil and 1.2 billion cubic feet of gas per day and lost $2.2 billion there.

So, something’s wrong. In Alaska, we are witnessing nothing short of a massive transfer of wealth from the public sector to private corporations. While Alaskans own our natural resources, we are not getting our fair share. For our kids, our seniors, and our communities, we have an obligation to speak up and demand our fair share. Call your state legislators today and tell them Alaskans deserve our fair share.

The Kenai Peninsula Food Hub Resumes in April

With a successful inaugural 2016 under its belt, the Kenai Peninsula Food Hub is set to start 2017 operations again in early April. With distribution hubs in Homer, Soldotna, and Seldovia, the Food Hub distributed over $28,000 in locally grown produce, seafood, poultry, flowers, and crafts. Buying locally produced food not only helps reduce our carbon footprint, it also supports local economies and communities, keeping revenue within communities and supporting small family farmers and crafters. Not to mention it just tastes better.

Supporting local producers today helps ensure that there will be farms in our community tomorrow. With 95% of Alaska’s food imported, increasing our state’s food security is critical. The Kenai Peninsula Food Hub is taking a step toward a better future.

Find out more about the Food Hub at: kenaifoodhub.org

Homer Farmer Emily Garrity was one of 27 producers participating in the first season of the food hub. Join in April, it’s a great way to get your local food fix.
**Life is challenging if you are a juvenile Coho Salmon growing up in the creeks and connected lakes of the Big Lake basin in upper Cook Inlet. Summer temperatures are warmer than you like as a cold-water fish and many predators lurk about who want to gobble you up before you can get big enough to make a dash for marine waters. Fortunately, scattered throughout the basin are unique habitats bringing in colder water and providing spaces to escape from predators and faster flows so you can digest your food in peace. These “refugia” can be critical to your survival.**

If you are a biologist, these water faucets, back alleys and haul outs are not always easy to see as you wade through a stream. At Inletkeeper, we are using thermal infrared imagery to find these refuges because we think protecting them is an important strategy to ensure that salmon persist in Alaska’s warming future.

In 2015, we collected data in the Big Lake basin to see if juvenile Coho Salmon prefer cold-water habitats for summer rearing to avoid warm and stressful conditions. We selected three study sites by evaluating thermal imagery to find locations where significant cold-water inflows hit the main channel. We found control reaches to compare against the cold-water influenced reaches to determine where the fish were hanging out. Alongside U.S. Fish and Wildlife Service biologists, we captured juvenile fish in minnow traps, collected macroinvertebrates, conducted habitat assessments, and measured temperatures from July – October.

Now that we have sorted all the samples in the lab and crunched the numbers, here is some of what we found. Juvenile Coho Salmon were much more abundant in the colder off channel habitat than in the large migratory corridor of Fish Creek downstream of Big Lake. The difference was greatest when the main channel was warmest (above 62° F) and predation pressure was greatest. In Herkimer Creek, we found some evidence that juvenile Coho Salmon were migrating to colder habitats after feeding for more optimal growth. And, in Lucille Creek, where water temperatures were generally cooler (below 54° F) we found not just the largest juvenile fish but no preference between habitats. All of Lucille Creek was cold-water refugia! These results reinforce the value of cold-water habitats and the numerous ways they benefit our Cook Inlet salmon.
2016: A Year in Review

Your support in 2016 is helping to achieve lasting impacts, a few key highlights for the year:

**Clean Energy**
- Re-energized education and outreach at Salmonfest and laid the foundation for deeper engagement next year.
- Met with federal agencies on Chuitna and Cook Inlet oil and gas, including NMFS, US-FWS, EPA, BOEM. Met with Governor and his staff on climate issues.
- Prompted AOGCC rulemaking on public notice and comment on fracking permits.
- Held fracking panel & 40th Anniversary Kachemak Bay Buy back panels in Homer.

**Clean Water**
- Collected a record 25,248 lbs of electronics for recycling during the April event in Homer, for a total of 202,038 pounds of e-waste recycled since 2006.
- Through the facilitation of the statewide Abandoned & Derelict Vessel Task Force, developed a full proposal for statute changes that will create a state program for preventing and dealing with these hazards in the marine environment.
- Successfully launched the Kenai Peninsula Food Hub, increasing awareness of food security and food mile reduction strategies for the Lower Kenai Peninsula. Signed up over 500 customers, and 27 vendors. Over $25,000 in local products were distributed.

**Healthy Habitat**
- As part of coalition, launched Stand for Salmon campaign to reform Title 16 Fish Habitat Permitting in Alaska to better protect fish habitat.
- Sustained the Cook Inlet (9th year) and Bristol Bay (2nd year) Stream Temperature Monitoring Networks in addition to three real-time monitoring stations.
- Completed a study on cold water habitat use by juvenile Coho salmon for summer rearing in the Big Lake basin to assist in the prioritization of key habitats for conservation.

**Capacity**
- Maintained a balanced budget, increased membership income, and surpassed 7000 Facebook likes.

We are committed to spending your dollars wisely. In 2016 we continued our strong record of setting conservative goals, and spending carefully.

**Thanks to Our Institutional Funders**

- Alaska Conservation Foundation
- Alaskans for Litter Prevention and Recycling
- Argosy Foundation
- William C. Bannerman Foundation
- The Brainerd Foundation
- Bullitt Foundation
- Hugh & Jane Ferguson Foundation
- Louise H. Foley & Margaret Frischkorn Wildlife & Conservation Fund
- The Harder Foundation
- The Homer Foundation
- Leighty Foundation
- Mifflin Memorial Fund
- New-Land Foundation, Inc.
- New Venture Fund
- Ocean Foundation
- Patagonia International, Inc.
- Skaggs Foundation
- True North Foundation
- US Fish & Wildlife Service
- Unitarian Universalist Fund for a Just Society
- Westwind Foundation

**Local Visions**

What would it look like if only good things happened over the next 30 years in the Cook Inlet watershed? Inletkeeper envisions a future with clean water, healthy fish & wildlife, strong communities, clean energy, and lasting jobs for all. What is your vision for your community? And what visions do you want to help make real?

Last summer, Local Visions collected over 500 visions from residents in the central peninsula at events like the Soldotna Sport Show and the Kenai River Festival. The top five themes were: connectivity (cycling and pedestrian paths), local food, clean spaces (healthy habitats, less waste), youth & family activities, and music/arts opportunities.

In addition to an inspiring array of visions, participants are networking to turn visions into reality. Local Visions is networking with municipalities, the Borough, and community groups to add momentum to existing projects and collaborate on new visions.

Send your visions to Kaitlin Vadla (kaitlin@inletkeeper.org) and Willow King (happinessislocated@yahoo.com) who are leading the Local Visions initiative.