

# Solidarity Update

A publication of the Alaska State  
Employees Association AFSCME Local 52, AFL-CIO



PRIMARY  
ELECTION  
2014

## 5 Reasons Not To Be Misled: Why ASEA Members Should Vote **YES** On Prop 1

**August 19th!**  
**REPEAL THE OIL GIVEAWAY!** **VOTE YES**  
on Proposition 1

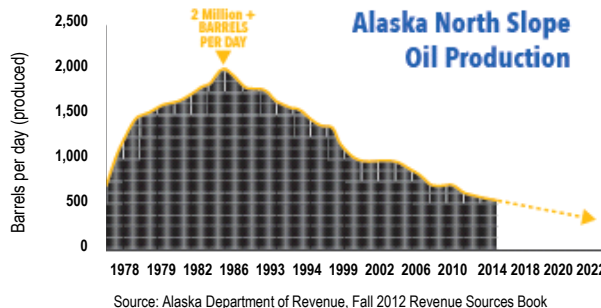
### REPEAL THE SB 21 OIL GIVEAWAY

A blitz of television, radio and internet advertising saturates the airwaves. This barrage is intended to drive Alaskans to believe that voting NO on Proposition 1 to keep SB 21 will provide jobs, has spurred recent oil field development, provides increased oil production and creates higher earnings for our state treasury – when nothing could be further from the truth. Very recent information researched by

ASEA from the *Spring 2014 Revenue Sources Book* by the Alaska Department of Revenue (DOR) and a new *Special Report on Ballot Measure 1* by Senator Hollis French, point to specific reasons to vote YES on Proposition 1. We have outlined 5 of the most important reasons why ASEA members should all get out and vote YES on August 19<sup>th</sup>.

**1. Decline is inevitable for a finite resource:** The *Spring 2014 Revenue Sources Book* by Alaska DOR<sup>1</sup> contains the state's forecast for the years 2014-2023 on Alaska oil production. With SB 21 in place, the decline in production will INCREASE as indicated by DOR. Senator French's *Special Report on Ballot Measure 1* indicates, "The Department of Revenue projects that over the next 10 years the decline rate will INCREASE to 5.3%, on average. That is higher than the historic rate of decline. Thus, it would be false to argue that SB 21 will reduce the rate of decline." Even as early as Fall 2012, as illustrated in the graph below, Alaska DOR foresaw an ongoing inevitable decline in oil production.

**2. Lowering oil taxes won't translate to more investment or production:** From 1996-2006, the Kuparuk Field, North America's second largest, operated under the ELF (Economic Limit Factor) tax structure. During that 10 year period under ELF, oil taxes dropped from 12% to under 1% and production dropped right along with it – from about 13% in 1996 to just above 1% by 2006. All of the SB 21 proponents want us to believe that lowering taxes will incentivize Big Oil to invest and produce more oil. "Yet no such increase occurred. The Kuparuk Field declined an average of 7.1% during that decade while its tax rate approached an astonishing zero percent," as Senator French's *Special Report on Ballot Measure 1* upholds.



**3. Needless incentives in the face of record oil industry profits:** Big Oil companies ConocoPhillips, ExxonMobil and British Petroleum (BP) currently enjoy enormous profits while producing less Alaska oil than ever. In other words, their profit margins are soaring while less work is making them more money per barrel of oil than ever in history. As Senator French's *Special Report on Ballot Measure 1* makes clear and Chart 1 shows, "ConocoPhillips – the only company required under federal guidelines to report its Alaska net income separately – made a higher profit per barrel of oil equivalent in Alaska than in any other area where it does business. ConocoPhillips' Alaska operations made a net profit of \$1.7 billion in 2010, \$1.9 billion in 2011 and \$3.5 billion in 2012. While we can't know the exact profits BP and ExxonMobil make from their Alaska production, they had similarly healthy years for (continued on page 3)

## What You'll Find in this Issue

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## Famous Words of Solidarity

"It is quite evident to me that the present Tweedledee and Tweedledum two-party system and its virtues have been greatly overrated." -George Meany, 1949

"There's a direct relationship between the ballot box and the bread box, and what the union fights for and wins at the bargaining table can be taken away in the legislative halls." -Walter Reuther

"We in labor don't control how our members vote. I don't even control my wife's vote." -George Meany

(From Great Labor Quotations Sourcebook and Reader Peter Bollen)

# Solidarity Update

## Did You Know?

### Did You Know That:

This year's AFSCME International Convention was the 41st!



### Did You Know That:

AFSCME ADVANTAGE has a variety of programs available to members in good standing, such as: The Union Plus Mortgage Program (Wells Fargo Home Mortgage), 15% Discount at AT&T, Teleflora Flowers and many more! Check it out at [UnionPlus.org](http://UnionPlus.org)



### Did You Know That:

Lee Saunders, AFSCME President & Laura Reyes, AFSCME Secretary-Treasurer were elected at the 40th International Convention, June 2012!

Lee Saunders was previously elected at the 39th International Convention as the Secretary-Treasurer in July 2010.

Laura Reyes was elected as an AFSCME International Vice President in 2009.



## ASEA/AFSCME Local 52 PAC Announces 2014 Primay Endorsements

The ASEA/AFSCME Local 52 Political Action Committee (PAC) recommends the following list of candidates for the upcoming Primary Election to be held Tuesday, August 19, 2014.

Recommendations are based on questionnaires returned by the candidate and their legislative voting records. A PAC endorsement for public office is based on the candidate's support for public employee issues, not party affiliation. The following recommendations reflect political positions that the PAC believes are in the best interest of public employees. (Continued on page 4)

LT. GOVERNOR			PARTY
Hollis S. French			D
DISTRICT	STATE SENATE	PARTY	
A	Tamara Kruse Roselius	D	
C	Click Bishop	R	
E	No Endorsement		
F	Patricia Chesbro	D	
G	No Endorsement		
I	Berta Gardner	D	
K	Clare Ross	D	
M	Kevin Meyer	R	
N	Harry T. Crawford Jr.	D	
O	No Endorsement		
P	Gary Stevens	R	
Q	Dennis Egan	D	
S	Lyman F. Hoffman	D	
T	Donny Olson	D	
DISTRICT	STATE HOUSE	PARTY	
1	Scott Kawasaki	D	
2	No Endorsement		
3	Tammie Wilson	R	
4	David Guttenburg	D	
5	No Endorsement		
6	No Endorsement		
7	Verne Rupright	I	
8	Mark Neuman	R	
9	Jim Colver	R	
10	Neal T. Lacy	D	
11	Pete P. LaFrance	D	
12	No Endorsement		
DISTRICT	STATE HOUSE	PARTY	
13	No Endorsement		
14	No Endorsement		
15	Gabrielle LeDoux	R	
16	Max F. Gruenberg Jr.	D	
17	Andrew L. Josephson	D	
18	Harriett A. Drummond	D	
19	Geran Tarr	D	
20	Les S. Gara	D	
21	Matt Claman	D	
22	Marty M. McGee	D	
23	Chris S. Tuck	D	
24	Michael "Mike" Fenster	D	
25	Patti Higgins	D	
26	Bob Lynn	R	
27	Matt Moore	D	
28	Mike Hawker	R	
29	No Endorsement		
30	Shauna L. Thornton	D	
31	No Endorsement		
32	Louise B. Stutes	R	
33	Sam S. Kito	D	
34	Cathy E. Munoz	R	
35	Jonathan S. Kreiss-Tomkins	D	
36	Daniel H. "Dan" Ortiz	I	
37	Bryce Edgmon	D	
38	Bob Herron	D	
39	Neal W. Foster	D	
40	No Endorsement		

# Solidarity Update

## 5 Reasons Not To Be Misled: Why ASEA Members Should Vote **YES** On Prop 1

(Continued from page 1)

their shareholders. By any measure, Alaska is a wildly profitable place for oil production."

Chart 1

ConocoPhillips: Net Income per Barrel of Oil Equivalent (BOE)				
Jurisdiction	2010	2011	2012	Average
Alaska	\$19.22	\$23.85	\$29.09	\$24.05
Lower 48/Latin America	\$5.88	\$7.37	\$4.36	\$5.87
International	\$14.19	\$12.90	\$11.86	\$12.98

Source: ConocoPhillips filings with U.S. Securities and Exchange Commission.

**4. ASEA members' prosperity, Alaskans PFD, public education tied to the state treasury:** As state employees, the Alaska treasury is your source of revenue for wage increases and employer contributions to health care and retirement. Under the provisions of SB 21, the Alaska treasury also became the source of funding billions of dollars for Big Oil's tax breaks with nothing in return for Alaskans. And with no SB 21 provisional preference for Alaska hire, new jobs will continue to be taken mostly by non-Alaskans who contribute nothing to the Alaska economy. As Senator French puts it plainly; "SB 21 drains the state treasury to make these companies' Alaska profits bigger, without any guarantees this extra cash will come back to the state."

We Alaskans love our Permanent Fund Dividend and have made public education a major priority; however, the 10-year graph of downward trajectory by millions of oil dollars in royalties from the *Spring 2014 Revenue Sources Book* by the Alaska Department of Revenue paints an ominous picture for their futures from 2014 through 2023. This is a direct result of declining oil and declining revenues under SB 21.

Years	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Royalties to AK Permanent Fund	729.5	694.9	703.5	704.7	703.2	689.2	633.8	582.9	583.5	530.4
Royalties to Public School Fund	12.2	11.7	11.9	11.9	11.8	11.6	10.7	9.9	9.9	9.8

### 5. Alaska revenues grew under ACES; oil investments and jobs not as a result of SB 21:

Alaska became the wealthiest state in America with a surplus in revenues of more than \$17 billion, mostly attributable to the oil tax structure ACES (Alaska's Clear and Equitable Share). A massive surge in investment and state revenue occurred in the ACES years from 2007-2013. The Alaska Department of Revenue concurred, as Senator French illuminates from his *Special Report on Ballot Measure 1*: "The majority of growth in capital expenditures since 2007 is attributable to drilling, seismic and other production related projects."

Many myths have tried to confuse and mislead Alaskans on television, radio and the internet regarding recent upticks in jobs, petroleum exploration and development on the North Slope because of SB 21. Alaskans feel confused by the claims by Big Oil that SB 21 legislation has paved the way for all this "new" activity. But oil companies make long-range plans for their work before they invest a dime. Again, Senator French dispels these myths in his *Special Report on Ballot Measure 1* from his senatorial and vast oil industry experience as a former ARCO production operator in the Kuparuk Field. "These capital investments require several years of lead time, indicating oil companies planned these high levels of project investment under ACES. In fact, before SB 21 passed, the Alaska Department of Revenue had already projected nearly \$4 billion in private investment on the North Slope for fiscal year 2014 before SB 21 passed."

**It's our oil. Alaska is an Owner State where we share in the responsibilities and fortunes of this finite resource for future generations. We've never let people from "outside" tell us how we should manage our affairs. Big Oil is from "outside." ConocoPhillips' world headquarters are located in Houston, TX; British Petroleum (BP) is headquartered in**

co-opted many politicians and barraged the airwaves with the rhetoric that Big Oil is the economic fuel of Alaska and that without a NO vote on Proposition 1 to keep SB 21, they might go away. But why would Big Oil leave Alaska when their profits here remain wildly lucrative? Big Oil may be the fuel; but Alaska's employees know they embody Alaska's economic engine and cannot help noticing Big Oil's absence from the most recent list of top employers, (See chart 2) where state employees hold second place.

So, without an engine, what use is the fuel? Tell Big Oil the answer is simple: **VOTE in the August 19th Primary Election, Vote YES on PROP 1 to Repeal SB 21.**

Chart 2

### 10 Top 10 Including Public Sector<sup>2</sup> Alaska, 2010

Average monthly employment in 2010	
1	Uniformed military 22,796
2	State of Alaska 18,337
3	Federal civilians 17,535
4	University of Alaska 7,579
5	Anchorage School District 7,157
6	Providence Health & Services 4,000+
7	Walmart/Sam's Club 3,000 to 3,249
8	Carrs/Safeway 2,750 to 2,999
9	Municipality of Anchorage 2,846
10	Fred Meyer 2,500 to 2,749

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Department of Defense, The Defense Manpower Data Center, May 13, 2010

<sup>1</sup> Spring 2014 Revenue Sources Book by the Alaska Department of Revenue <http://www.tax.alaska.gov/programs/documentviewer/viewer.aspx?1048r>

<sup>2</sup> Alaska Economist Neal Fried: The Trends 100, 25<sup>th</sup> Edition – Alaska's largest employers in 2010 <http://laborstats.alaska.gov/trends/jul11art1.pdf>





# Solidarity Update

## ASEA HEALTH TRUST NEWS



## The Coalition Health Center Saves You Money

### ***You'll Never Get a Bill with Surprise Charges Here***

Did you know that a visit to the Coalition Health Center will only cost you \$10 or less!?

**No deductible is required for services** at the Center and they don't charge more than the Health Plan allows for office visits or lab services.

**You just pay a \$10 copay** when you need care because you are sick or have a health concern. You do not have to meet your deductible first, and you won't have other charges that are billed later.

**Preventive care is free.** There's no copay,

no deductible, and no over-the-allowed-amount charges.

**Generic medication to treat your condition may be free**, if it is one of the many basic medications the Center keeps in stock.

The Coalition Health Center can treat common medical problems (allergies, ear infections, strep throat, the flu, minor infections, rashes, etc.), provide diagnostic lab work, write prescriptions, do pregnancy tests and much more.

Preventive care at the Coalition Health Center includes routine checkups for men, women and children, standard immunizations, flu shots, blood pressure

checks, certain cancer screenings, and more. Be sure to ask your provider what preventive tests you should have (recommendations vary by gender, age and risk factors).

**Coalition Health Center**

Phone: (907) 264-1370

Website: [www.coalitionhealthcenter.com](http://www.coalitionhealthcenter.com)

Address: 2741 DeBarr Road,  
Suite C210, Anchorage

Hours: Mon-Fri: 7 a.m. - 7 p.m.

Sat: 8 a.m. - 12 noon

**Make an appointment online, by phone or just drop in.**

*(Provided by Shorett Communications)*

## 2014 Election Information

*General information on the elections this year from the AFL-CIO.* It's that time again when you will soon be seeing your mailbox filled with political flyers and your door knob ornamented with candidate literature. But don't worry, it's only until November! This year is extremely important to working families in Alaska and union members will be out in force. They will be knocking on doors, making phone calls and anything else it takes to spread the word about the right candidates for workers. If you're interested in helping and belong to a union, make sure to give them a call and ask what you can do to chip in. The more the merrier!

Some races will be hashed out in the Primary, which is held on August 19th. The General Election is November 4th. The deadline to [register to vote](#) or change your party/address in the Primary was July 20th. Going to be out of town on Election Day? [Sign up to absentee vote.](#)

## Important Election Dates

### Primary Election

### Tuesday, August 19, 2014

### General Election

### Tuesday, November 4, 2014

### Express Your Opinion!

### Get Out

### And VOTE!



## ASEA/AFSCME Local 52 PAC Announces

### 2014 Primay Endorsements

*(Continued from page 2)*

The PAC would like to encourage your participation in political action. If you are not already a contributor to Public Employees Organized to Promote Legislative Equality (PEOPLE), please consider enrolling. A membership in PEOPLE automatically makes you a member of the ASEA/AFSCME Local 52 Political Action Committee.

As a member of the PAC, you can be elected to serve on the PAC's Board of Directors. There are vacancies in districts across the state. Contact the ASEA Juneau Office at 463-4949 or (800) 478-0049 toll free if you want to participate.

Members **must** use personal email accounts when communicating with PAC directors, legislators and candidates for public office or when sending emails containing messages of a political nature.