



April 15, 2025

House Resources Committee

Re: House Bill 194, Approve Marathon Petro Royalty Oil Sale, version 34-GH1086\A

Dear Co-Chairs Burke and Dibert, and members of the House Resources Committee,

The Alaska Chamber (the Chamber) writes in support of House Bill 194, an act approving and ratifying the sale of royalty oil by the State of Alaska to Marathon Petroleum Supply and Trading Company LLC; and providing for an effective date.

The Alaska Chamber is the state's largest statewide business advocacy organization. Our mission is to promote a healthy business environment in Alaska. The Chamber has more than 700 members and represents businesses of all sizes and industries from across the state, representing 58,000 Alaskan workers and \$4.6 billion in wages.

The Chamber has a formal policy position to support the state administrative and legislative approval of royalty oil contracts that use the same net back value as if the oil was sold out of state.

Marathon's Kenai refinery has been a cornerstone of Alaska's in-state fuel production since 1969. With the capacity to produce up to 68,000 barrels per calendar day, the facility plays a vital role in supplying jet fuel, diesel, gasoline, and other products to communities across Alaska, including Anchorage and the Interior via rail and terminal infrastructure. The refinery not only supports fuel reliability in Alaska but also contributes significantly to the local economy—employing over 250 Alaskans in family-wage jobs and engaging another 100 in full-time contract and terminal operations.

House Bill 194 supports this longstanding operation by ensuring a stable and flexible supply of Alaska North Slope crude. The contract's terms will allow the Kenai refinery to optimize operations and accommodate seasonal demand shifts, which is essential for continued efficiency and reliability. Importantly, the agreement allows the State to receive a price for its royalty oil that exceeds the value it would receive through traditional in-kind arrangements, delivering clear economic benefit.

HB194 is a win for Alaska's economy, its workforce, and the future of reliable in-state fuel production. We respectfully urge the Legislature to pass this bill and support a stronger, more secure energy future for our state. We appreciate the consideration of the Chamber's comments.

Sincerely,

A handwritten signature in black ink that reads 'Kati Capozzi'.

Kati Capozzi
President and CEO



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