

FROM THE DESK OF
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August 25, 2010

Dear Alaskan:

Alaska's unique character embodies independence and self-reliance – traits rooted in our history and lodestars for our future. That spirit is integral to **“The Alaskan Ownership Stake” – a strategic plan I introduce here, designed to harness the power of Alaska resources, Alaskan initiative, and the free market for the benefit of all Alaskans.**

The Alaskan Ownership Stake is a multi-part plan to give Alaskans direct ownership over our own wealth. **Part I centers on the Alaska Natural Gas Pipeline.** It ensures that all Alaskans have the opportunity to “*Own a Piece of the Pipe*”. This idea builds on a proposal that Senator Ted Stevens, Senator Lisa Murkowski, and Representative Don Young included in the 2004 federal Alaska Natural Gas Pipeline Act.¹ That legislation specifically recognized the importance of allowing individual Alaskans, Alaskan owned companies, and Alaska Native Corporations to invest in the pipeline to further economic development. As Governor, I will work with the Legislature to allow and encourage Alaskan businesses and Alaska Native Corporations to also participate in investing in the project.

By offering individual Alaskans a chance to invest in the gas pipeline, we improve the likelihood a pipeline will be built, and we ensure that willing participants reap the benefits of their investment. The Alaska Ownership Stake gives all willing Alaskans the ability to become shareholders in the pipeline itself, using their own funds and based on their own market-based decisions. Importantly, this proposal provides a partial answer to a recent Alaska Natural Gas Development Authority report, which noted that significant equity must be invested in any pipeline that will serve Alaskan homes and business at affordable rates. Importantly, funds invested in the pipeline send a strong, positive signal to financial markets and to potential partners about Alaska's commitment to developing our gas, which helps attract additional financing.

Here's how we can put this plan to work for Alaskans who choose to participate:

- Allow each Alaskan to choose – and I stress *individually and affirmatively choose* - to invest all or a portion of their annual Permanent Fund Dividend in a newly created state corporation – the Great Alaska Pipeline Company (GAP, Inc.) – by checking off a box on their PFD application. All funds would be held in escrow at GAP, Inc., until a gas pipeline is fully funded and construction is moving forward.
- Profits from tariffs and revenue earned on the pipeline will be distributed to the owners of the pipeline. As owners of GAP, Inc., individual Alaskans and Alaskan entities that choose

¹ In 2004, the Alaska Natural Gas Pipeline Act (ANGPA) was included in the Military Construction Appropriations Act (HR 4837). Section 115 of ANGPA encourages Alaska to establish a plan to allow individual Alaskans, Alaska Native Corporations and Alaska-owned businesses to become investors in building a gas pipeline.

to invest will receive their share of the distributions of these profits annually. These distributions are separate and distinct from our PFDs. Alaskans could choose every year during the pre-construction and construction phases of the pipeline to invest multiple years' worth of their PFDs into GAP, Inc. The elapsed time from the first offering to the construction year will span several years, giving Alaskans many opportunities to invest multiple PFDs into GAP, Inc. if they choose.

- Funds **would not** be released from GAP, Inc., until either a pipeline gets financed and is under construction, or until it is determined that a project is not viable, in which case funds would be returned to their owners.

Since 2005, no Alaskan Governor – not Frank Murkowski, not Sarah Palin and not Sean Parnell – has moved forward with a plan to allow individual Alaskans to invest in a pipeline and help make the dream of bringing North Slope gas to market a reality.

The time has come to truly open the doors and provide an opportunity for willing Alaskans to *Own a Piece of the Pipe*. As Governor, and with your help, we can build our economy while making sure each and every Alaskan has the chance to become a true owner of our resources . . . but I need your support. Please go to my website (www.EthanBerkowitz.com) to learn more about **The Alaskan Ownership Stake**. Tell your friends about this exciting and innovative idea, and consider contributing to my campaign so that we can put these plans into action.

Alaska is called the “Owner State” – we can use the strength of “ownership” to move Alaska forward. Alaskans have much to offer the nation and the world through both our rich natural resources and our human capital. We can provide the energy to drive this nation into the future but successful efforts require foresight, will and leadership. We get the most done by relying on ourselves – it’s the way Alaska has always turned bold ideas into reality.

Warmest Regards,



Ethan Berkowitz

P.S. I've included a sample certificate a shareholder in GAP, Inc. might get if they choose to *Own a Piece of the Pipe*. Please be on the lookout for the additional components to **The Alaskan Ownership Stake** that I will unveil over the next several weeks.