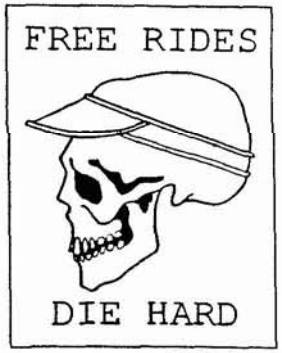
REVENUE SOURCES BOOK

FORECAST & HISTORICAL DATA

FALL 1989



STATE OF ALASKA
DEPARTMENT OF REVENUE

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

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The Honorable Steve Cowper
Governor
P.O. Box A
Juneau, Alaska 99811

December 29,1989

Dear Governor Cowper:

Attached is an expanded version of the Fall 1989 forecast released on November 3,1989. It couples a short-term and long-term forecast with a particularly close examination of petroleum revenues, the mainstay of our state income. It also sets out the revenues the State has received in the past.

This document is a blend of good news and bad news.

The good news is that oil prices are up strongly from a year ago and the modification of the Economic Limit Factor (ELF) has raised severance tax revenues.

The bad news is that oil production has started to fall and pipeline tariffs are going up. (Increased tariffs cut State revenues from taxes and royalties.)

The good news has justiiiably cheered Alaskans about the prospects for the next year. The bad news should give us pause about the next 10 years.

The fall in oil production means that the inevitable decline in the huge Prudhoe Bay field has started sooner than we predicted.

Taxes and royalties generated by the Prudhoe Bay field currently provide well over half of all State revenues. This forecast assumes that production from the Prudhoe Bay field will continue to fall steadily, and will drop to less than half its present level in less than 10 years.

Some observers may believe that exploration will discover another Prudhoe Bay. Prudhoe Bay is the largest oil field in North America, and finding such a "supergiant" is extremely rare.

The State of Alaska is standing on a precipice. Only a combination of budget cuts, more efficient programs, and new revenues will keep the State from falling a long way.

Sincerely,

Hugh Malone
Commissioner

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A. Outlook for Short Term (FY 1990 - FY1992)

Higher oil revenues make the Fall 1989 State Revenue Forecast considerably higher than the forecast of Spring 1989. Revenues from non-petroleum sources will continue to be less than 20 percent of the total revenues, and those non-petroleum revenues should be approximately the same as last year.

Two positive factors outweigh two negative factors to drive the revenue outlook higher.

The two most important positive factors are:
1. The new Economic Limit Factor (ELF) has increased severance tax revenues; and
2. The oil price assumptions in all scenarios–except for one year in the high scenario—have increased.

The two most important negative factors are:
1. The onset of decline in the Prudhoe Bay field has been more rapid than expected, causing a fall in the estimates of production over the next five years; and
2. The estimates of Trans Alaska Pipeline System (TAPS) pipeline tariffs for the next two years have increased sharply, both because falling production will force expenses to be divided into fewer barrels and because the oil companies which own the pipeline will claim new expenses. These claimed new expenses will include corrosion repairs, oil spill prevention, and legal fees arising from the oil spill in Prince William Sound. The TAPS tariff is the price the oil companies which own the pipeline charge to transport the oil from the North Slope to Valdez. Higher TAPS tariffs mean lower State revenues from taxes and royalties.

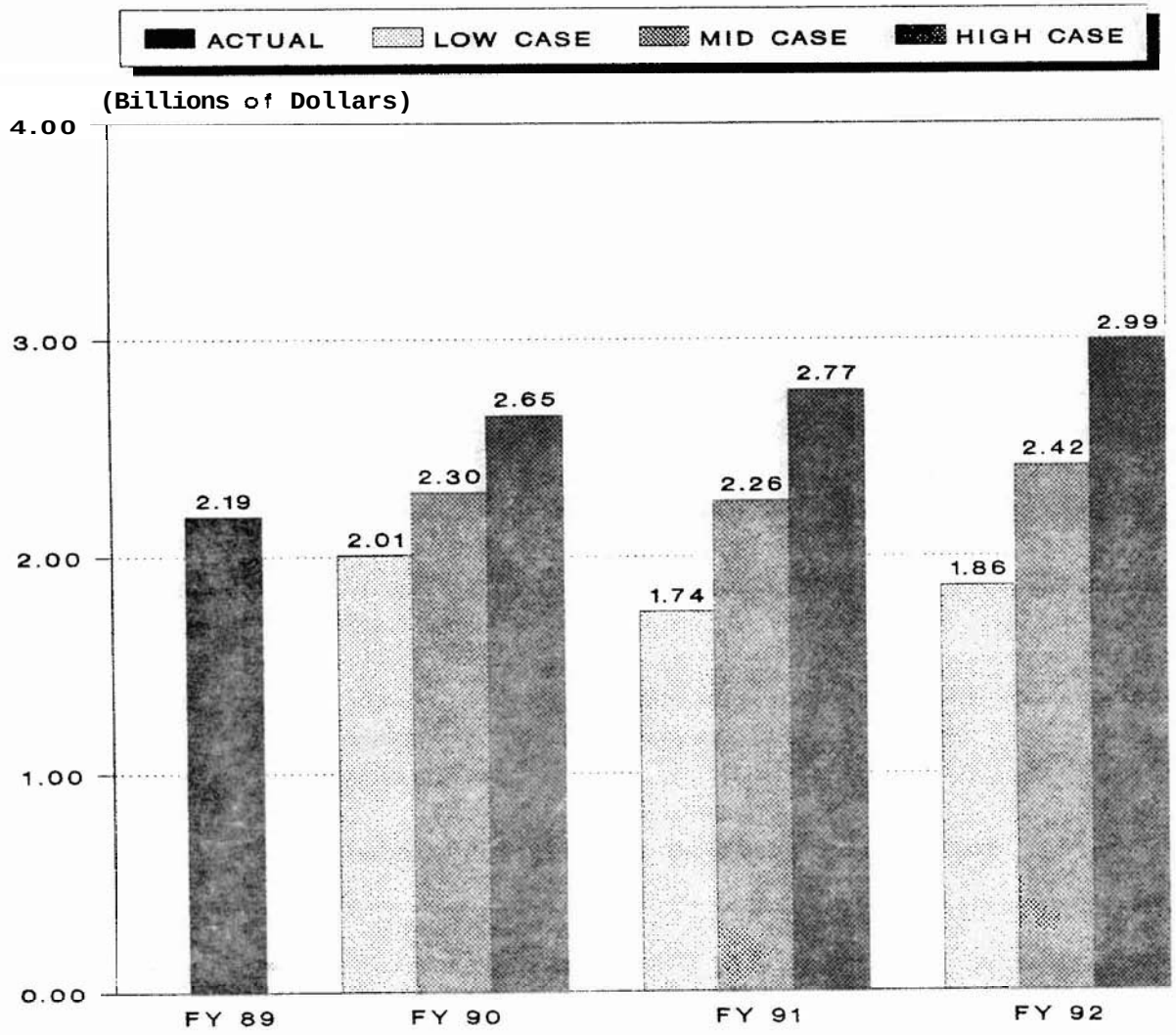
The following table illustrates the improved revenue outlook. Caution: the scenarios represent only three of many possible outcomes. None of the scenarios will prove wholly correct. No one scenario is more likely than any other.

General Fund Unrestricted Revenues
(Millions $)

	Low Scenario	Mid Scenario	High Scenario
FY 1989 (Actual)	2,186.2	2,186.2	2,186.2
FY 1990	2,005.5	2,295.6	2,645.0
FY 1991	1,743.2	2,255.6	2,765.6
FY 1992	1,860.1	2,416.2	2,993.4

GENERAL FUND UNRESTRICTED REVENUES

(Comparison of Projections vs. FY 89 Actuals)



Alaska State Revenue Matrix[1]
Unrestricted General Funds
(Millions of dollars)

FY 1990[2]

Alaska North Slope Production
Millions of barrels/day

Avg ANS Lower 48[3]	1.50	1.55	1.60	1.65	1.70	1.75	1.80	1.85	1.90
$10.00/bbl	1,462	1,479	1,496	1,512	1,529	1,546	1,562	1,579	1,596
$11.00	1,528	1,547	1,566	1,585	1,604	1,623	1,642	1,661	1,679
$12.00	1,624	1,646	1,669	1,691	1,713	1,735	1,757	1,779	1,801
$13.00	1,723	1,748	1,774	1,799	1,824	1,850	1,875	1,901	1,926
$14.00	1,821	1,850	1,878	1,907	1,936	1,965	1,993	2,022	2,051
$15.00	1,919	1,951	1,983	2,015	2,047	2,079	2,111	2,143	2,175
$16.00	2,018	2,053	2,088	2,124	2,159	2,194	2,229	2,265	2,300
$17.00	2,116	2,155	2,193	2,232	2,270	2,309	2,347	2,386	2,424
$18.00	2,214	2,256	2,298	2,340	2,382	2,424	2,465	2,507	2,549
$19.00	2,313	2,358	2,403	2,448	2,493	2,538	2,583	2,629	2,674
$20.00	2,411	2,459	2,508	2,556	2,605	2,653	2,702	2,750	2,798

[1] Assumptions other than price and production, are based on the mid scenario of the Department of Revenue Fall 1989 Forecast, updated to account for changes in the ELF due to HB 118 and the Oil and Hazardous Release Fund. HB 118 is assumed to be effective for FY 1990 and the Oil and Hazardous Release Fund is assumed to be effective starting with July 1989 production.

[2] Averages start in September 1989.

[3] The average ANS price for all lower 48 sales is approximately $0.60/barrel less than the U. S. Gulf price in FY 1990.

Alaska State Revenue Matrix[1]
Unrestricted General Funds
(Millions of dollars)

FY 1991

Alaska North Slope Production
Millions of barrels/day

Avg ANS Lower 48[2]	1.50	1.55	1.60	1.65	1.70	1.75	1.80	1.85	1.90
$10.00/bbl	1,218	1,238	1,258	1,278	1,298	1,319	1,339	1,359	1,379
$11.00	1,301	1,324	1,347	1,370	1,393	1,415	1,438	1,461	1,484
$12.00	1,397	1,423	1,449	1,475	1,502	1,528	1,554	1,580	1,606
$13.00	1,513	1,543	1,573	1,603	1,634	1,664	1,694	1,724	1,754
$14.00	1,630	1,664	1,698	1,731	1,765	1,799	1,833	1,867	1,901
$15.00	1,746	1,784	1,822	1,860	1,897	1,935	1,973	2,011	2,049
$16.00	1,862	1,904	1,946	1,988	2,029	2,071	2,113	2,155	2,196
$17.00	1,979	2,024	2,070	2,116	2,161	2,207	2,253	2,298	2,344
$18.00	2,095	2,145	2,194	2,244	2,293	2,343	2,392	2,442	2,491
$19.00	2,211	2,265	2,318	2,372	2,425	2,478	2,532	2,585	2,639
$20.00	2,328	2,385	2,442	2,500	2,557	2,614	2,672	2,729	2,786

[1] Assumptions other than price and production, are based on the mid scenario of the Department of Revenue Fall 1989 Forecast, updated to account for changes in the ELF due to HB 118 and the Oil and Hazardous Release Fund. HB 118 is assumed to be effective for FY 1990 and the Oil and Hazardous Release Fund is assumed to be effective starting with July 1989 production.

[2] The average ANS price for all lower 48 sales is approximately $0.08/barrel less than the U. S.

B. Outlook for Long-Term (FY 1993 - 20101

The short-term outlook showed more than a $600 million "spread between the low and high scenarios for the current fiscal year, FY 1990. The long-term outlook is that the longer we look into the future, the bigger the difference gets between the low and high scenarios. The main constant is that revenues from oil and gas will continue to dominate Alaska's total revenues into the 21st century. The State will receive more than half of its revenues from oil and gas until at least *2005*.

The two critical variable factors in the long-term outlook for petroleum revenues are the price and the production of oil.

The price of oil directly affects revenues in two ways. The price directly determines the value of petroleum production. The price also determines the feasibility of exploring and developing additional resources, including the enormous Arctic gas reserves. Increasing world consumption of oil will force an increasing dependence on OPEC. This forecast assumes that this increasing dependence will result in a long-term upward drift in oil prices. The market reaction to very high oil prices in the early 1980s suggests that oil prices above $20 per barrel are difficult to sustain for long periods of time.

The decline in production from the Prudhoe Bay field is a central issue for Alaska. Taxes and royalties generated by Prudhoe Bay account for more than half of the State's current revenues. This forecast assumes that Prudhoe Bay production will fall to half of current levels sometime between 1997 and 2000.

General Fund Unrestricted Revenues (Millions $)

	Low Scenario	Mid Scenario	High Scenario
FY 1993	1,813.2	2,435.2	3,243.0
FY 1994	1,813.3	2,460.7	3,655.0
FY 1995	1,756.0	2,375.8	4,094.3
FY 2000	1,081.2	1,597.3	4,218.4

II. REVENUE FORECAST: SHORT-TERM OUTLOOK (FY 1990 - 92)

A. Unrestricted and Restricted Revenues

This section analyzes revenues over the next two and a half years, taking us through the rest of FY 90 to the end of FY 92. It analyzes revenues that go to the General Fund, the account which finances most of the budget. Both unrestricted and restricted revenues flow into the General Fund. The difference between these two types of revenues is in how the legislature can use them. Unrestricted revenues have no restrictions on their use. Restricted revenues carry some restriction on their use. For most restricted revenues, the restriction comes from the Federal government. In N 89, restricted revenues were 20 percent of total General Fund revenues, and unrestricted revenues were 80 percent of total General Fund revenues.

Because restricted revenues are specific in their use, discussions of revenues tend to concentrate on unrestricted revenues.

The following table shows all sources of unrestricted General Fund revenues for FY 89 through FY 92. The next table shows all sources of restricted General Fund revenues for N 89 through N 92.

GENERAL FUND UNRESTRICTED REVENUES

(Millions of Dollars)

TAXES	FY 1989 Actuals	FY 1990 ESTIMATES Low	Mid	High	FY 1991 ESTIMATES Low	Mid	High	FY 1992 ESTIMATES Low	Mid	High
Income										
Corporate General (1)	38.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Corporate - Petroleum (1)	166.0	109.0	130.0	157.0	114.0	139.0	164.0	110.0	135.0	160.0
Income from Prior Years (2)	255.7	5.2	5.2	5.2	0.0	0.0	0.0	0.0	0.0	0.0
Total (3)	459.7	144.2	165.2	192.2	144.0	169.0	194.0	140.0	165.0	190.0
Severance										
Oil & Gas Production	696.4	737.1	885.8	1066.0	671.1	917.5	1171.2	758.7	993.9	1260.4
Oil & Gas Conservation	2.4	2.3	2.3	2.5	2.1	2.2	2.4	1.9	2.0	2.2
Oil & Hazardous Release (4)	0.0	26.0	26.7	28.1	25.6	27.0	29.6	23.2	25.0	27.8
ELF Revision Payments (5)	0.0	102.2	102.2	102.2	0.0	0.0	0.0	0.0	0.0	0.0
Total	698.8	867.6	1017.0	1198.8	698.8	946.7	1203.2	783.8	1020.9	1290.4
Property										
Oil & Gas (6)	89.7	84.6	84.6	84.6	79.7	79.7	79.7	75.2	75.2	75.2
Sale/Use										
Alcoholic Beverages	11.8	11.4	11.4	11.4	11.2	11.2	11.2	11.0	11.0	11.0
Fuel Taxes - Aviation (7)	10.1	10.0	10.0	10.0	10.1	10.1	10.1	10.2	10.2	10.2
Fuel Taxes - Highway	20.0	20.0	20.0	20.0	20.5	20.5	20.5	21.0	21.0	21.0
Fuel Taxes - Marine	7.2	7.0	7.0	7.0	7.2	7.2	7.2	7.4	7.4	7.4
Tobacco Products (8)	6.4	10.6	10.6	10.6	12.2	12.2	12.2	12.0	12.0	12.0
Total	55.5		59.0	59.0	61.2	61.2	61.2	61.6	61.6	61.6
Miscellaneous Other Taxes										
Alaska Business License (9)	1.0	1.9	1.9	1.9	1.5	1.5	1.5	1.1	1.1	1.1
Fish - Canned/Shorebased (10)	16.1	11.7	11.7	11.7	12.0	12.0	12.0	14.0	14.0	14.0
Fish - Floating	10.6	10.7	10.7	10.7	11.0	11.0	11.0	11.0	11.0	11.0
Salmon Enhancement (11)	9.5	6.1	6.1	6.1	6.0	6.0	6.0	6.0	6.0	6.0
Seafood Marketing (12)	3.3	3.1	3.1	3.1	3.0	3.0	3.0	3.0	3.0	3.0
Insurance Companies	19.4	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
Electric & Telephone Coops (13)	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Gaming (14)	0.6	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Mining License Tax	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Estate	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Total	63.8	60.2	60.2	60.2	60.2	60.2	60.2	61.8	61.8	61.8
TOTAL TAXES	1367.5	1215.6	1386.0	1594.8	1043.9	1316.8	1598.3	1122.4	1384.5	1679.0

	Actuals	Low	Mid	High		Mid			Mid	High
LICENSES & PERMITS										
Business (15)(16)	8.1	7.5	7.5	7.5	7.0	7.0		7.0	7.0	7.0
Non-Business	20.2	19.8	19.8	19.8	20.3	20.3		20.3	20.3	20.3
Total	28.3	27.3	27.3	27.3	27.3	27.3		27.3	27.3	27.3
INTERGOVERNMENTAL RECEIPTS										
Federal Shared Revenues (17)	6.1	6.5	6.5	6.5	6.0	6.0	6.0	6.0	6.0	6.0
Section 8(g) Funds (17)(18)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total	8.1	8.5	8.5	8.5	8.0	8.0	8.0	8.0	8.0	8.0
STATE RESOURCE REVENUE										
Sale/Use										
Bonus Sales (17)(19)(20)	11.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rents (17)(19)(20)	5.3	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Royalties (17)	605.9	588.0	704.4	884.5	518.8	724.7	912.9	595.8	804.0	1006.5
Sale of State Property	4.9	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Gravel, Timber, etc.	0.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Total	628.0	599.5	715.9	853.0	530.3	736.2	924.4	607.3	815.5	1018.0
Investment Earnings (21)	100.7	91.4	94.7	98.2	69.6	103.2	143.5	29.4	115.2	195.4
Facilities Related Charges										
Airports	1.2	1.9	1.9	1.9	2.0	2.0	2.0	2.0	2.0	2.0
Ferry System—SE	29.3	31.6	31.6	31.6	32.3	32.3	32.3	33.6	33.6	33.6
Ferry System—SW	3.8	4.3	4.3	4.3	4.3	4.3	4.3	4.6	4.6	4.6
Other	1.4	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Total	35.7	39.5	39.5	39.5	40.3	40.3	40.3	41.9	41.9	41.9
Services Related Charges										
Court System	6.0	5.9	5.9	5.9	6.0	6.0	6.0	6.0	6.0	6.0
Other	1.9	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Total	7.9	8.7	8.7	8.7	8.8	8.8	8.8	8.8	8.8	8.8
TOTAL RESOURCE REVENUE	772.3	739.1	858.8	999.4	649.0	888.5	1117.0	687.4	981.4	1264.1
MISCELLANEOUS REVENUE	10.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
TOTAL UNRESTRICTED REVENUE (22)	2186.2	2005.5	2295.6	2643.0	1770.2	2255.6	2765.6	1850.1	2416.2	2993.4
MENTAL HEALTH TRUST INCOME ACCOUNT (23)	97.7	100.3	114.8	132.3	87.2	112.8	138.3	93.0	120.8	

* Footnotes on the following page.

FOOTNOTES

(1) Figures are forecasted to be slightly higher but expected to trend downward.

(2) The major portion of the FY 89 figure reflects the ARCO settlement ($1723 million) which resolved disputed State income tax liabilities from prior years.

(3) Figures include that portion ($56.1 million in FY 89) annually shared through the municipal assistance program (AS 43.20.016).

(4) Reflects enactment of the conservation surcharge on oil (Ch. 112, SLA 1989).

(5) FY 90 figures reflect those protested ELF revision payments received by the State, and are subject to litigation.

(6) Figures only reflect the State's share of the total. The total property tax and the municipalities' share are as follow (millions $): FY 89: $342.0 and $252.3; FY 90: $332.9 and $248.3; FY 91: $331.0 and $251.3; and FY 92: $333.9 and $258.7, respectively.

(7) Includes that portion annually *shared* to qualified municipalities (AS 43.40.010).

(8) Figures reflect the increased millage rate for the General Fund portion from 5.5 to 12 mills per cigarette per Ch. 96, SLA 89.

(9) The Department of Commerce in January, 1989 switched to a two year cycle for business license applications.

(10) Figures reflect the enactment of a shorebased fisheries business tax credit which is limited to 50 percent of the business' total tax liability with any unused portion of the credit carried forward (Ch. 79, SLA 1986, effective July 1, 1986). For example, the total FY 89 fisheries business tax liability was $41.3 million against which $14.6 million credits were applied thus yielding a total net fisheries business tax of $26.7 million. This State share is further reduced annually ($15.7 million in FY 89) by municipal revenue sharing (AS 43.75.130). The canned fisheries business tax has been combined into a single category with the shorebased since the tax credits are applied against the aggregate return and cannot be allocated by specific processing type.

(11) Provides annual funding based on collections for qualified regional aquaculture associations (AS 43.76.025).

(12) Provides annual funding based on collections for the Alaska Seafood Marketing Institute (AS 16.51.160).

(13) Figures include that portion ($2.0 million for FY 89) annually refunded to local taxing authorities (AS 10.25.570).

(14) Reflects enactment of the Gaming Reform Act (Ch. 99, SLA 1989), effective September 2, 1988.

(15) Figures reflect the trend of shifting fees by various agencies from General Fund Unrestricted revenues to Restricted Program Receipts.

(16) Figures include that portion of amusement and gaming Licenses (AS 43.35.050) and liquor licenses (AS 04.10.460) annually shared to qualified municipalities.

(17) Net of Permanent Fund and Public School Fund contributions.

(18) Reflects the OCS "8(g)" revenue sharing settlement of $4.0 million in FY 89, and $4.0 million in FY 90, FY 91, and FY 92. The General Fund *share* represents 49.5 percent of the aforementioned totals, whereas the Permanent Fund receives 50.0 percent. The remaining 0.5 percent is distributed to the Public School Fund.

(19) Reflects state lease sales of $14.7 million held September 28, 1988 (Sale 55 - Demarcation Point), $6.1 million held September 28, 1988 (Sale 69A - Kuparuk Uplands), and $2.2 million held January 24, 1989 (Sale 52 - Beaufort Sea, Sale 72A - Oliktok Point). The bonus figures represent the General Fund's 49.5 percent share.

(20) The Department of Natural Resources projects the following FY 90, FY 91, and FY 92 state lease sales: FY 90 (None scheduled); FY 91 (Sale 67A - Cook Inlet: Exempt, Sale 70A - Kuparuk Uplands: Exempt, Sale 64 - Kavik, Sale 65 - Beaufort Sea); and FY 92 (Sale 74 - Cook Inlet, Sale 61 - Whitehills, Sale 68 - Beaufort Sea). However, bonus bids are impossible to anticipate prior to *sales;* therefore, no estimates are provided.

(21) With regard to the projections shown in this current revenue forecast, it should be noted that, all currently held and projected investment assets in the General Investment Fund are projected to be liquidated by January 1992, under the Low Case revenue scenario presented. In the High Case and the Mid Case scenarios, there are still assets in the Fund at the end of FY 1992. A wide variety of policy actions wuld be taken to either increase General Fund cash inflows or reduce General Fund cash outflows. However, no such actions are assumed here. Even with total liquidation of the General Investment Fund, interest from certain mortgage and loan programs is assumed to accrue to the General Fund

(22) The State, per AS 38.05.180, will be granting incentive credits against royalties, severance taxes, and rentals to the oil companies for drilling exploratory wells. Although there are no credits currently applied against the FY 90 figures, additional credits are anticipated in subsequent years.

(23) Chapter 48 SLA 1987, allocates 5% of General Fund unrestricted revenues to the Mental Health Trust Income Account until such time as the original Mental Health Trust Lands are valued (at which point 8% of such value will be allocated annually to the Mental Health Trust Income Account). The necessary expenses of Alaska's Mental Health Program must be met before funds in the Mental Health Trust Income Account may be expended for any other public purpose (AS 37.14.021). The amounts shown are included in the aforementioned Total Unrestricted Revenue figures.

GENERAL FUND RESTRICTED REVENUES

(Millions of Dollars)

	FY 1989	FY 1990 ESTIMATES			FY 1991 ESTIMATES			FY 1992 ESTIMATES		
	Actuals	Low	Mid	High	Low	Mid	High	Low	Mid	High
Federal Grants-in-Aid										
Education	73.3	66.0	66.0	66.0	66.0	66.0	66.0			
Social Services	167.4	191.4	191.4	191.4	191.7	191.7	191.7			
Health	3.9	5.0	5.0	5.0	4.8	4.8	4.8	Not Available		
Natural Resources	30.0	27.8	27.8	27.8	27.8	27.8	27.8			
Pub. Prot./Admin. of Justice	12.4	12.8	12.8	12.8	12.7	12.7	12.7			
Development/General Govt.	7.8	2.0	2.0	2.0	2.0	2.0	2.0			
Transportation	195.8	183.0	183.0	183.0	183.0	183.0	183.0			
Total Federal Grants-in-Aid	490.6	488.0	488.0	488.0	488.0	488.0	488.0			
Other Grants-in-Aid/Program Receipts										
Education	2.3	2.2	2.2	2.2	2.2	2.2	2.2			
Health/Social Services	6.5	8.4	8.4	8.4	8.2	8.2	8.2			
Natural Resources	6.2	5.7	5.7	5.7	5.7	5.7	5.7	Not Available		
Pub. Prot./Admin. of Justice	5.3	6.4	6.4	6.4	6.2	6.2	6.2			
Development/General Govt.	14.0	5.9	5.9	5.9	5.9	5.9	5.9			
Transportation	1.0	0.9	0.9	0.9	0.9	0.9	0.9			
Total Other Grants-in-Aid	35.3	29.5	29.5	29.5	29.1	29.1	29.1			
Miscellaneous Restricted Revenue-All Categories	20.8	16.4	16.4	16.4	17.0	17.0	17.0			
RESTRICTED REVENUE *	546.7	533.9	533.9	533.9	534.1	534.1	534.1			
UNRESTRICTED REVENUE	2186.2	2005.5	2295.6	2645.0	1743.2	2255.6	2765.6	1860.1	2416.2	2993.4
TOTAL GENERAL FUND	2732.9	2539.4	2829.5	3178.9	2277.3	2789.7	3299.7			

* Restricted Revenue figures may not agree with those shown in the Governor's budget due to categorical differences between the budget and accounting system.

B. Petroleum Revenues

Introduction

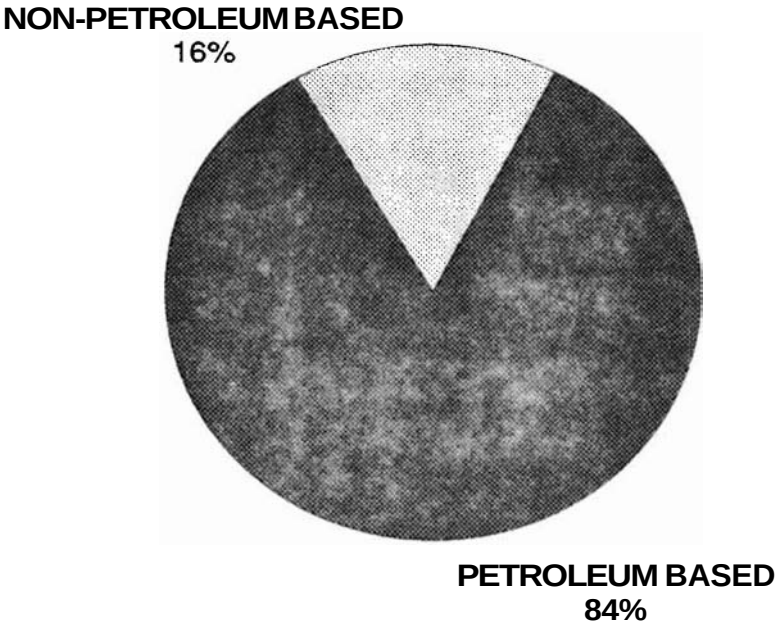
This section: underlines the importance of petroleum revenues to Alaska's total revenues; discusses the current oil markets; sets out the petroleum forecast assumptions; describes the low, mid, and high scenarios; and concludes with a note on the effects of the modified Economic Limit Factor (ELF) and a note on methodology.

Importance of Petroleum Revenues

Petroleum revenues now account for more than 80 percent of all unrestricted General Fund revenues, and will account for more than 80 percent of those revenues each year well into the 1990s.

The figure below shows the relationship of petroleum revenues to all revenues for FY 89.

FY 89 GENERAL FUND UNRESTRICTED REVENUES



PETROLEUM REVENUES

General Fund Unrestricted Revenues: Petroleum Revenues as a Percentage of the Total

The following table shows that petroleum revenues will dominate in the short-term under all three scenarios.

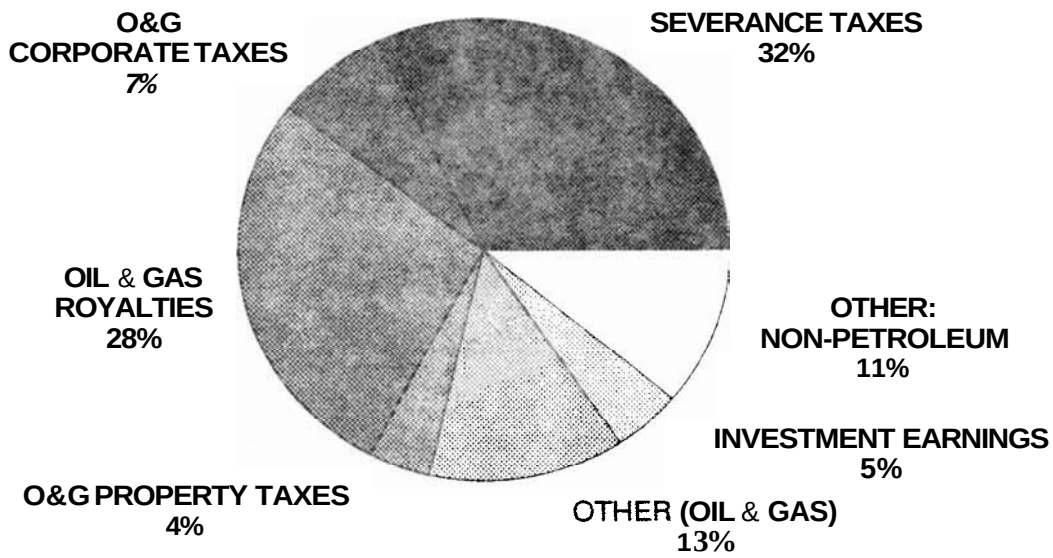
FY 1989 - 92
(Millions of Dollars)

	Total G. F. Unrestricted Revenues	Total G. F. Unrestricted from Petroleum	Percent
FY 89 Actual	2186.2	1840.4	84
FY 90 Estimates			
Low Case	2005.5	1668.4	83
Mid Case	2295.6	1955.2	85
High Case	2645.0	2301.1	87
FY 91 Estimates			
Low Case	1743.2	1424.8	82
Mid Case	2255.6	1903.6	84
High Case	2765.6	2373.3	86
FY 92 Estimates			
Low Case	1860.1	1578.3	85
Mid Case	2416.2	2048.6	85
High Case	2993.4	2545.6	85

Petroleum revenues come from: (1) severance taxes (also called production taxes); (2) royalties on oil and gas the State owns; (3) corporate income taxes on corporations producing and transporting oil and gas; (4) the oil and gas property tax; and (5) other oil and gas revenues (rents, bonuses, and special settlements).

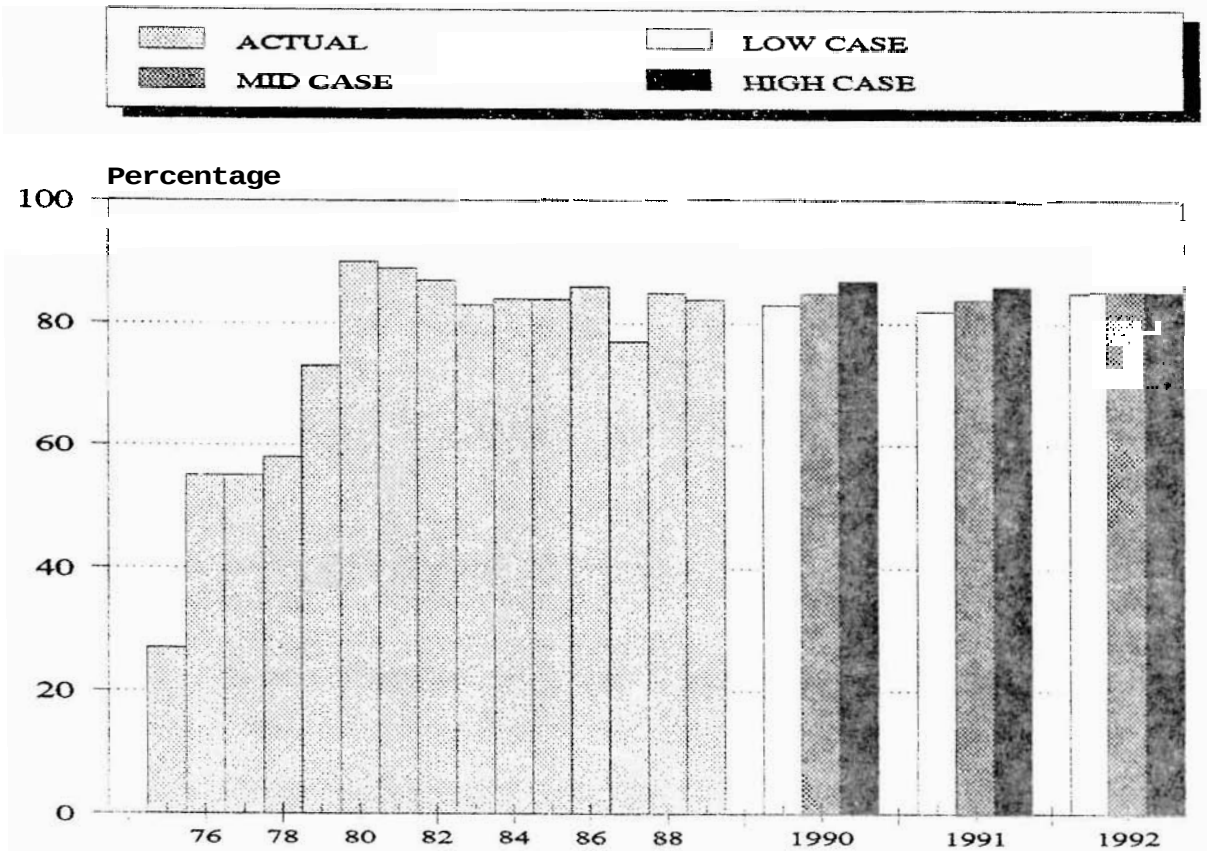
Together, these petroleum revenues accounted for 84 percent of State revenues in FY 89. The State also collects revenues in the form of interest earned on money invested in the State Treasury, which accounted for another 5 percent of the total General Fund unrestricted revenues. (Most of the earnings come from interest earned on petroleum revenues.) The following figure illustrates this.

FY 89 GENERAL FUND UNRESTRICTED REVENUES



The following figure shows that the State of Alaska has received most of its revenues from petroleum for a substantial period. Petroleum revenues comprised more than 75 percent of General Fund unrestricted revenues in FY 89 for the tenth year in a row.

PERCENTAGE OF GENERAL FUND UNRESTRICTED REVENUES WHICH COME FROM PETROLEUM (FY 1975 - 92)



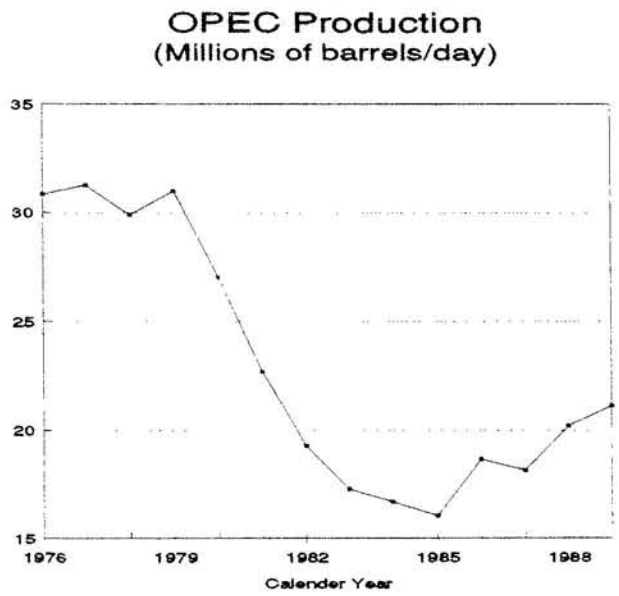
C. CURRENT OIL MARKET SITUATION

World Market

The price of oil continues strong on world markets through November. This is occurring in the face of fairly bearish market fundamentals, including estimated OPEC October production of nearly 23 million bbl/day and flat to lower consumption of oil in the third quarter in the U.S. and Europe. Obviously the prospect for higher prices will depend on the severity of the winter weather and the extent to which the global economy continues to grow over the next two quarters.

OPEC met November 25 in Vienna, at which time the member countries established a new overall production quota of 22 million bbls/day. OPEC's major short-term problem is how to deal with a projected seasonal decline in the demand for their crude oil in the first quarter which will lead to lower prices unless current rates of production by member countries can be curbed.

Figure 1



The new OPEC quota system and estimated October production is illustrated in Table 1.

Table 1 **OPEC Production Quotas and Estimated October Production [1] (Thousands of bbls/day)**

Country	October Production	Current Quota
Algeria	700	830
Ecuador	300	270
Gabon	210	200
Indonesia	1,250	1,370
Iran	2,900	3,140
Iraq	3,000	3,140
Kuwait[2]	1,850	1,500
Libya	1,200	1,230
Nigeria	1,600	1,610
Qatar	400	370
Saudi Arabia[2]	5,500	5,380
UAE	2,200	1,100
Venezuela	1,800	1,810
October total	22,910	22,000

[1]Source: Platt's Oilgram News
[2]Includes 50% of Neutral Zone output.

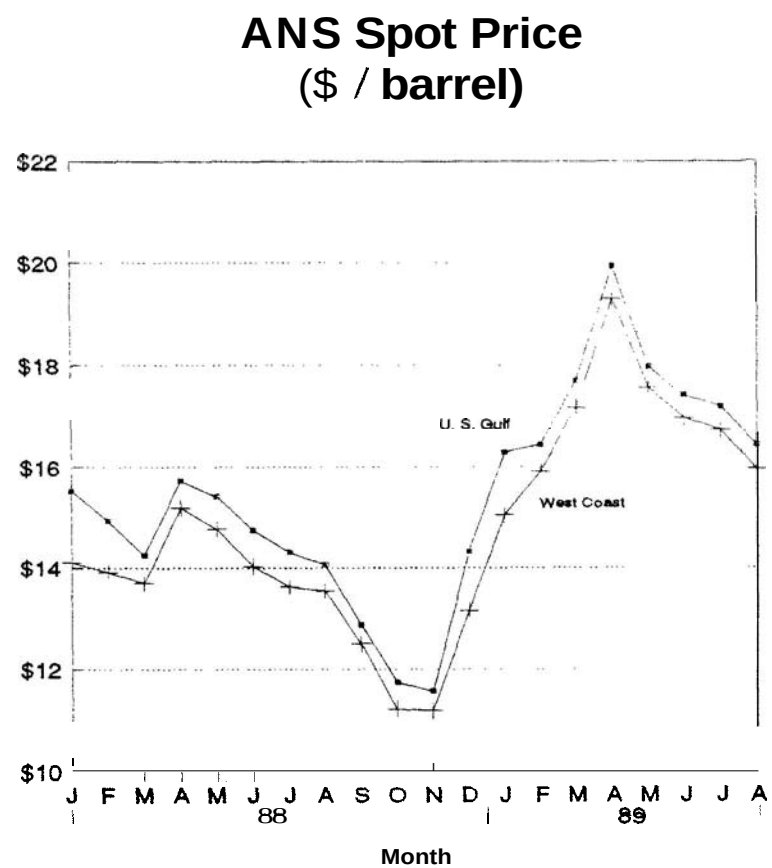
ANS Market

Lower production from Alaska's North Slope continues to dominate the news. Recent estimates released by the Alaska Department of Natural Resources reduce the production estimates released last Spring for the North Slope by an average of roughly 100,000 bbl/day. Due to the projected decline in the mammoth Prudhoe Bay oil field, Alaska's overall oil production will continue to decline in the future. The good news is that several new oil fields will be coming into production in the early 1990s, including Point McIntyre, Niakuk, and possibly West Sak.

The decline in ANS production combined with projected continued declines in California production and a growing appetite for oil on the West Coast will eventually eliminate the need for the movement of ANS to destinations east of Panama. The result of this situation will be to increase the price of oil on the West Coast relative to world oil prices. The price jump occurs in FY 1992 in both the low and mid scenarios and occurs in FY 1993 in the high scenario, reflecting a difference in the timing of the disappearance of the West Coast oil glut.

Spot prices this year for ANS crude oil peaked at over $20/bbl last April following the disruption in Brent production from the North Sea and the disruption in production associated with the Valdez oilspill. Prices have been creeping up since September and are currently over $20/bbl. Figure 2 illustrates ANS spot prices for Gulf Coast and West Coast deliveries so far this year.

Figure 2



D. FORECAST ASSUMPTIONS

World Oil Price

Table 2 Scenarios for Saudi Light Oil Price ($/bbl)

Fiscal Year	Low Scenario	Mid Scenario	High Scenario
1990	14.59	15.53	16.36
1991	13.95	16.25	17.72
1995	16.23	20.07	23.63
2000	19.20	25.63	33.67
2005	23.06	32.52	47.69

The basic price assumptions developed for this forecast continue to start with the price of Saudi Light crude oil, a widely traded crude oil similiar in quality to ANS. Saudi Light is the dominant crude oil produced by the world's largest oil exporter, Saudi Arabia.

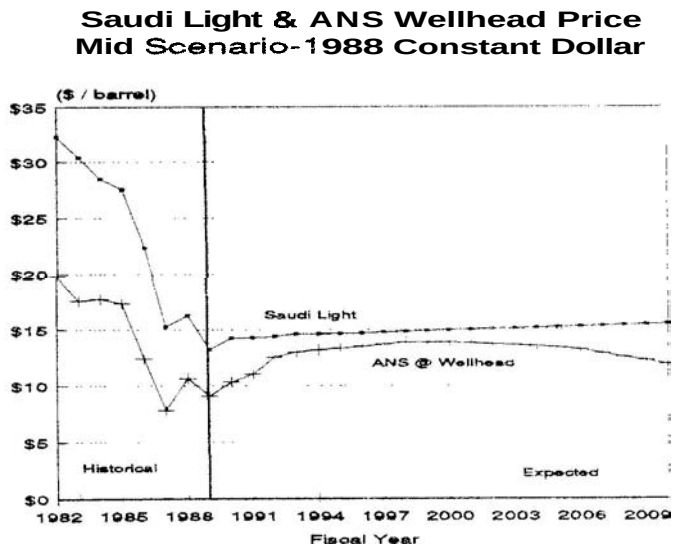
The scenarios for the short term outlook for Saudi Light price are described in the next section.

The longer term outlook for oil prices essentially depends on the assumptions about how OPEC behaves in a market which requires an increasing amount of production from those OPEC countries with large oil reserves. Some analysts argue that a magic number for OPEC is 80%, that is, when OPEC production reaches 80% of its capacity, major, **sustainable** price increases can be expected. Others argue that as the market approaches this level of dependence on OPEC, price increases will occur which will trigger the kind of self-regulating response on both the supply and demand side for oil which will keep the real cost of oil somewhere in the $10/bbl to $20/bbl range.

This forecast generally takes the latter approach, projecting constant dollar prices in the Low Scenario of around $12/bbl, in the Mid Scenario of around $15/bbl, and in the High Scenario approaching $20/bbl.

The discussion of price forecast assumptions which follows essentially starts with the Saudi Light price and outlines the other variables which translate this price into the wellhead price for ANS crude oil. The wellhead price is the price determining the value of production and thus the State's severance tax and royalty income. The relationship between Saudi Light price and ANS wellhead price is illustrated in Figure 3 for the mid scenario.

Figure 3



ANS **Lower 48** Prices

Table 3

Scenarios for ANS Oil Price
Gulf Coast and West Coast
($/bbl)

Fiscal	Low Scenario		Mid Scenario		High Scenario	
Year	West	Gulf	West	Gulf	West	Gulf
1990	14.38	15.36	16.10	16.92	17.71	18.37
1991	14.68	14.62	17.68	17.78	19.36	20.08
1995	18.42	16.60	22.78	22.28	26.83	27.50
2000	21.79	18.65	29.12	28.46	38.26	39.14
2005	26.18	23.04	36.94	36.28	54.19	55.24

The price of ANS is forecast based on its historical relationship to Saudi Light. The relationship over time between the prices of these two crude oils has been far from stable, reflecting-among other things-the peculiarities of the U.S. market and the internal dynamics of OPEC pricing policies. Many factors can affect the relative prices of crude oils, including differences in quality and location. The volatile relationship among world crude oil prices reflects the evolving market, changing pricing practices of both the OPEC and non-OPEC producers, and changes in refinery economics. ANS has usually sold at a modest discount relative to Saudi Light *at* the U.S. Gulf. The U.S. West Coast is a special case. ANS by law can not be exported and all ANS production can not be absorbed on the West Coast. Therefore ANS production in excess of demand on the West Coast must go to the Gulf Coast rather than to the much closer Asian market. This situation results in a depressed price for ANS on the West Coast, i.e., a much larger discount relative to delivered Saudi than on the Gulf Coast.

Figure 4

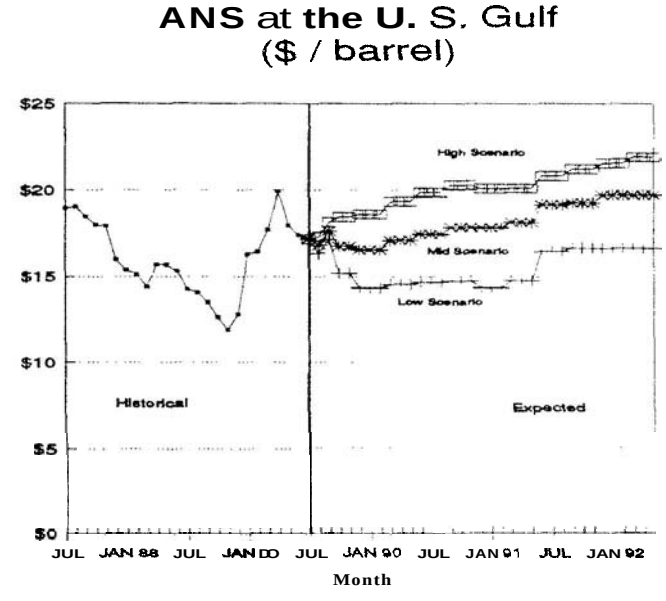
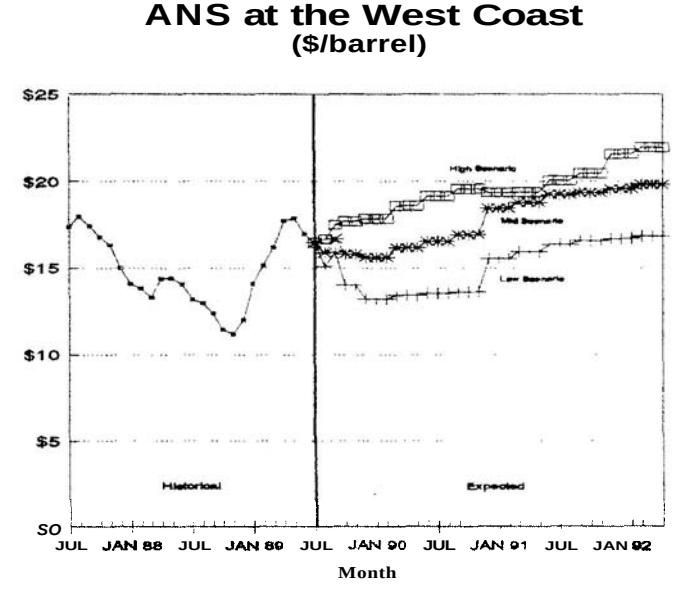


Figure 5



Transportation Costs to Lower 48 Markets

As oil prices rise and inflation increases fuel and labor costs, tanker costs go up. As ANS production declines, however, there will be a drop in demand for tankers, this drop will increase the competition for cargos, which should keep tanker rates down. The fact that less and less oil will be shipped to the Gulf/East Coast will in and of itself lower the average cost of shipping oil to the Lower 48.

Tanker Costs

Table 4 Marine Transportation Costs to Gulf Coast and West Coast ($/bbl)

Fiscal Year	Valdez to West Coast			Valdez to Gulf/East Coast		
	Low	Mid	High	Low	Mid	High
1990	0.94	0.95	0.95	2.77	2.81	2.88
1991	0.97	1.00	1.02	2.84	2.91	3.03
1995	1.14	1.22	1.32	3.14	4.73	4.95
2000	1.37	1.52	1.76	3.56	5.93	6.77
2005	1.66	1.90	2.34	4.03	7.43	9.00

Tanker rates to Lower 48 destinations have fallen significantly since January 1986 from an average reported cost of $4.24/bbl for Gulf Coast delivery in January 1986 to an average of $2.43/bbl in August 1989. The decline is generally attributed to the following factors:

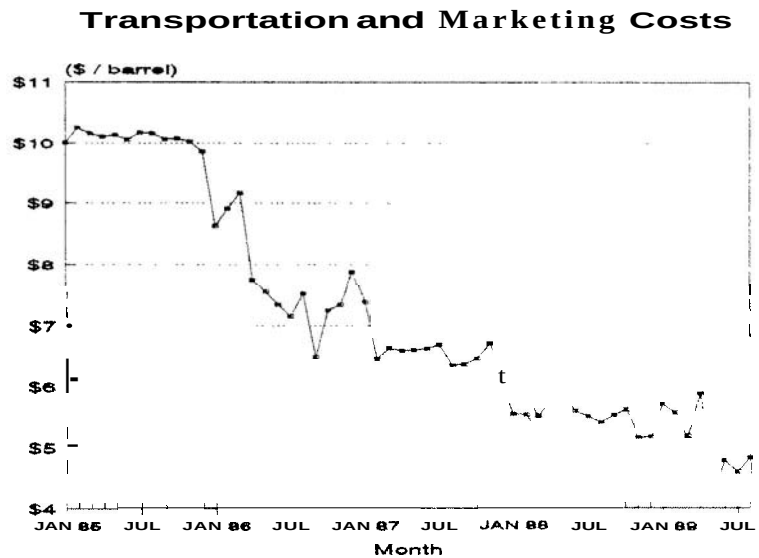
1) The decreasing amount of ANS sold east of Panama (which has dropped from 805,000 bbl/day or 47% in January 1986 to 550,000 bbl/day or 30% in August 1989).

2) The entry of the three construction differential subsidy tankers into the Alaska trade.

3) The opening of the All-American Pipeline from California to Texas.

When this lower tanker cost is included with the lower Trans Alaska Pipeline tariffs, the cost of shipping a barrel of oil from the Alaska North slope to the U.S. Gulf has fallen from $10/bbl in 1985 to less than $5.50/bbl in August 1989. Figure 6 illustrates the decline in transportation costs. Without these cost savings some production sold in both 1986 and 1988 at prices below $10.00/bbl would have had a zero wellhead value, in which case the State under current law would have realized no severance tax or royalty for this production.

Figure 6



Trans Alaska Pipeline System Tariffs

Table 5 Scenarios for TAPS Tariffs ($/bbl)

Fiscal Year	Low Scenario	Mid Scenario	High Scenario
1990	3.45	3.45	3.45
1991	3.62	3.57	3.49
1995	3.07	2.97	2.69
2000	3.66	3.54	3.18
2005	7.73	6.14	4.54

The TAPS tariff is determined according to the TAPS Settlement Method, a ratemaking method agreed upon by the Pipeline owners and the State of Alaska. This agreement dropped the tariff from $6/bbl in 1985 to $4/bbl in 1987, $3.18/bbl in 1988, and $3.051 bbl in 1989. The 1990 calendar year tariff is expected to increase to about $3.90/bbl for three reasons:

1) Reduced throughput assumptions due to the rapid onset of decline at Prudhoe Bay will raise the per-barrel charge.

2) 1989 throughput was lower than expected so that the 1989 tariff was insufficient to cover allowable costs. As a result, some of those costs will be carried over into the 1990 rate base.

3) Unanticipated corrosion repairs and additional oil spill mitigation expenditures will raise operating expenses in 1990.

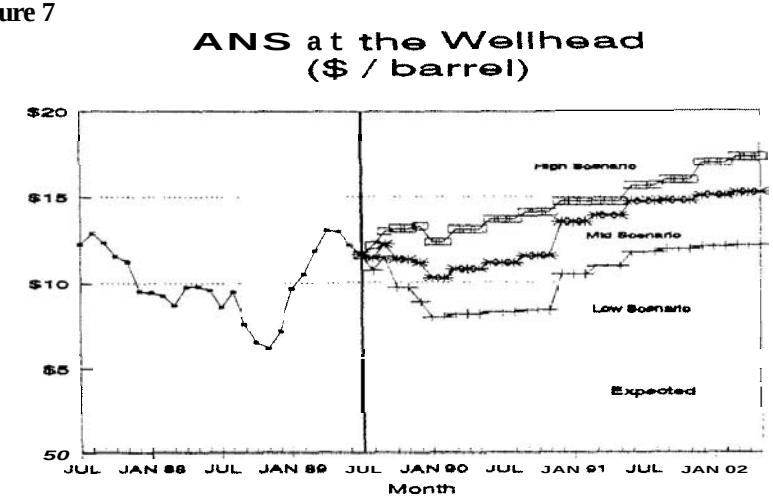
Wellhead Price for ANS

Table 6 Scenarios for ANS Wellhead Price ($/bbl)

Fiscal Year	Low Scenario	Mid Scenario	High Scenario
1990	9.63	11.27	12.79
1991	9.54	12.56	14.31
1995	14.03	14.97	12.41
2000	16.60	23.74	33.07
2005	17.10	28.65	46.96

The wellhead value of ANS, along with production, is the basis for both State severance tax and royalty. The wellhead value is calculated by substracting the pipeline and marine transportation costs from the sales price (or transfer price at the refinery gate in the case of oil run through a producer's own refinery).

Figure 7



Oil Production Outlook

Information on production comes from the Alaska Department of Natural Resources, the producing companies, the Alaska Oil and Gas Conservation Commission, oil industry trade journals, technical reports, and news releases. Annual production estimates are shown in Figures 8 and 9, and on pages 46 through 48 in the section on "Long-Term Outlook".

The vast majority of Alaska production will continue to come from the now declining Prudhoe Bay field. The mid scenario anticipates that total Alaskan production will be half its current level by 1997. The decline in Prudhoe Bay production is now expected to be much more rapid than assumed in our Spring forecast. This reflects a more serious gas handling constraint. As more and more gas is produced with each barrel of oil, the amount of gas which must be reinjected back into the Prudhoe Bay field has increased substantially. Since it is anticipated that there will need to be more production downtime due to field and TAPS maintenance, the gas handling constraint will limit the ability to keep average annual oil production from falling. Installation of additional gas handling equipment, GHAX1 (gas handling and expansion 1), is scheduled to start late in 1990. A second expansion is in the planning stages. Once in place, the ability to reinject up to 5.1 bcf/day of gas production will slow the rate of decline in oil production.

Figure 8

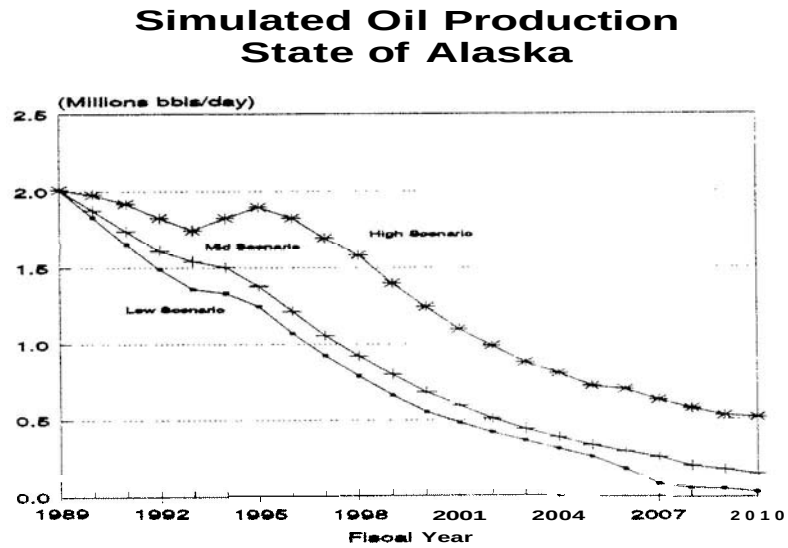
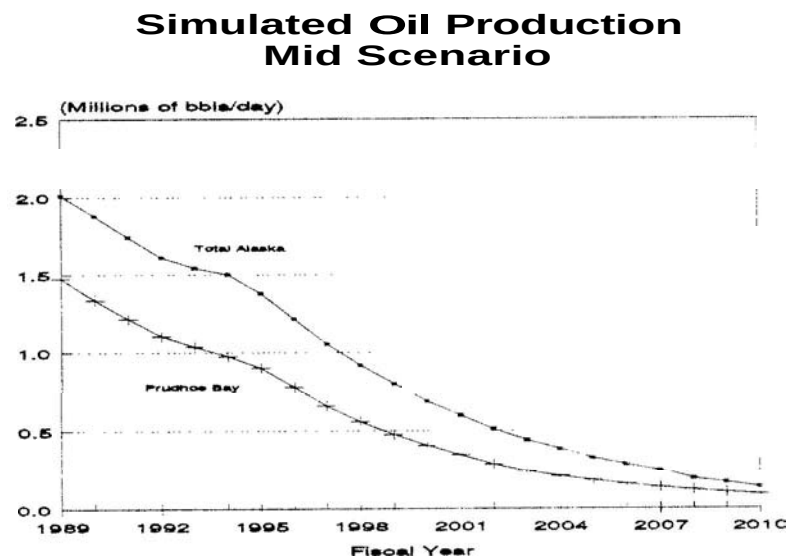


Figure 9



This forecast for the first time projects production from the newly discovered Pt. McIntyre field. ARCO has estimated that there are 300 million barrels of recoverable oil. The proximity to the existing Prudhoe Bay infrastructure should allow fairly rapid development of the field. A thorough appraisal of the resource is currently in progress. The use of common production facilities has raised questions about tax treatment and the commercial and regulatory implications for cost sharing and production monitoring. Once these issues can be resolved, development should occur quickly.

Other fields which may help offset the Prudhoe decline include Niakuk and West Sak. Niakuk may still face development cost hurdles depending on the final outcome of the application for permits to build a causeway into the Beaufort Sea. West Sak development probably hinges on a combination of favorable oil prices, cost saving technical advances, and resolution of the commercial, regulatory, and taxation issues which are raised by the proposed use of Kuparuk facilities to produce the oil.

The effect of projected production from these new oil fields is illustrated in Figure 8 where a blip up in 1994 North Slope production can be seen.

E. MODIFIED ECONOMIC LIMIT FACTOR

During the 1989 session, the legislature modified the Economic Limit Factor (ELF) for oil severance tax. Taxes on Prudhoe Bay and Kuparuk were increased while taxes on all other oil fields were reduced or left at zero. The increases are approximately 8 percent of the revenue projected in each scenario.

The 1990 projection includes the $102.2 million paid under protest for production between January 1, 1989 and August 6, 1989.

Change in Revenue Due to Revised ELF
(Millions $)

Fiscal Year	Low	Mid	High
1989	0	0	0
1990	210.4	234.4	259.1
1991	138.3	177.5	210.0
1992	171.3	205.0	236.5

F. METHODOLOGY

The Department of Revenue uses a wide variety of models and techniques to forecast severance taxes and royalties. The main forecasting model is a marketing and production simulation model which projects severance tax and royalties on a company-by-company, field-by-field basis through the year 2050. This model can be run on either a scenario or iterative basis and was initially developed in 1978. We have also recently developed an electronic spreadsheet model called Shortcut, which aggregates the information used in the simulation model. Policy makers and other interested individuals can use Shortcut to perform sensitivity analysis, which asks "What if ...?". This model can be obtained by contacting the Department of Revenue.

G. SCENARIOS OVER THE SHORT-TERM

Low Scenario

Summary: *The Low Scenario assumes economic growth slows over the next two years, reducing the recent strong growth in oil consumption; nun-OPEC production continues to grow and OPEC muddles along unable to match output to fluctuating demand.*

	General Fund Unrestricted Revenues	Saudi Light Price ($/bbl)	Average Lower 48 ANS Price ($/bbl)
FY 1990	2,005.5	14.59	14.64
FY 1991	1,743.2	13.95	14.67
FY 1992	1,860.1	14.66	16.63

The Low Scenario assumptions are as follows:

1. Economic growth averages 2.0% in 1990 and 1.0% in 1991. This assumes an economic slowdown triggered by the financial market concerns over debt and higher interest rates.

2. Oil consumption grows by 0.9% in 1990 and only 0.3% in 1991 as the economic slowdown drags down energy use.

3. Non-OPEC production grows by .5 million bbl/day in 1990 and .25 million bbl/day in 1991, with North Sea production back to its potential but with a diminished outlook for production due to continued low oil prices.

4. Problems allocating increased demand for OPEC crude oil among member countries during seasonal fluctuations in the market, lead to overproduction at critical periods which keeps downward pressure on price.

5. No new Federal taxes are levied on energy.

6. The implied call on OPEC under this scenario, assuming normal inventory fluctuations, is 19.8 million bbl/day in 1990. This compares to our Spring 1989 forecast of 18.0 million bbl/day. The 1991 call on OPEC is projected to be 19.5 million bbl/day.

Expected and Historical Crude Oil Prices
For Alaska North Slope Crude and OPEC Marker
($/barrel)

Low Scenario

Production Mon/YR		ANS at Wellhead	ANS at West Coast	ANS at Gulf Coast	Saudi Lt Ras Tanura
JUL	88	8.62	13.20	14.26	13.32
AUG	88	9.52	12.98	14.09	13.31
SEP	88	7.81	12.37	13.51	11.81
OCT	88	6.79	11.45	12.65	10.46
NOV	88	6.43	11.20	11.89	10.61
DEC	88	7.40	12.03	12.79	12.68
JAN	89	9.69	14.12	16.28	14.61
FEB	89	10.51	15.17	16.44	14.79
MAR	89	11.85	16.21	17.70	16.28
APR	89	13.04	17.71	19.93	17.74
MAY	89	12.97	17.88	17.96	16.28
JUN	89	12.22	16.97	17.39	15.99
JUL	89	11.65	16.47	17.17	16.03
AUG	89	10.75	15.10	16.32	15.36
SEP	89	11.56	15.92	17.14	16.08
OCT	89	9.71	14.05	15.17	14.43
NOV	89	9.71	14.05	15.17	14.43
DEC	89	8.89	13.22	14.34	13.70
JAN	90	7.99	13.22	14.34	13.70
FEB	90	7.99	13.22	14.34	13.70
MAR	90	8.19	13.43	14.54	13.88
APR	90	8.19	13.43	14.54	13.88
MAY	90	8.19	13.43	14.54	13.88
QTRl	FY91	8.30	13.55	14.66	13.98
QTR2	FY91	8.39	13.63	14.74	14.05
QTR3	FY91	10.53	15.54	14.34	13.70
QTR4	FY91	11.01	15.97	14.77	14.08
QTRl	FY92	11.83	16.37	16.44	14.43
QTR2	FY92	12.02	16.59	16.65	14.62
QTR3	FY92	12.14	16.71	16.65	14.73
QTR4	FY92	12.23	16.84	16.65	14.84

Low Scenario

Global Oil Market Assumptions

	GLOBAL OIL CONSUMPTION	OPEC OIL PROD.	OPEC NGL PROD.	NON-OPEC PROD.	NET CPE EXPORTS	PROCESSING GAIN	STOCK CHANGE
1989							
Q1	52.7	19.7	2.1	25.1	2.3	1.7	-1.8
Q2	50.3	20.9	2.1	24.7	2.7	1.7	1.8
Q3	51.2	21.1	2.1	25.4	2.6	1.7	1.8
Q4	52.7	19.9	2.1	26.2	2.5	1.7	-0.3
1990							
Q1	51.5	17.1	2.2	25.9	2.5	1.7	-2.2
Q2	51.3	20.0	2.2	25.8	2.6	1.7	1.0
Q3	52.3	21.2	2.2	26.0	2.6	1.7	1.4
Q4	53.5	20.8	2.2	26.0	2.6	1.7	-0.3
1991							
Q1	51.7	16.8	2.3	26.2	2.6	1.7	-2.2
Q2	51.5	19.8	2.3	26.1	2.6	1.7	1.0
Q3	52.5	21.0	2.3	26.3	2.6	1.7	1.4
Q4	53.7	20.5	2.3	26.3	2.6	1.7	-0.3

Mid Scenario

Summary: *The Mid Scenario assumes moderate growth in the world economy in 1990 with a mild slowdown in 1991. Continued low oil prices, in relative terms, and a cheaper dollar further contribute to healthy growth in world oil consumption. OPEC finds it easier in these economic circumstances to match production to demand. The result is stable oil prices drifting up over time toward $20/bbl.*

	General Fund Unrestricted Revenues	Saudi Light Price ($/bbl)	Average Lower 48 ANS Price ($/bbl)
FY 1990	2,295.6	15.53	16.32
FY 1991	2,255.6	16.25	17.70
FY 1992	2,416.2	17.17	19.49

The Mid Scenario assumptions are as follows:

1. Economic growth worldwide averages **2.5%** in 1990 and **2.0%** in 1991. This assumption implies continued solid growth next year and a slowdown in 1991.

2. Oil consumption is projected to grow at 1.5% in 1990 and .8% in 1991 in response to both the healthy growth in the world economy and in response to prices which are still low when adjusted for inflation and the value of the dollar.

3. Non-OPEC production is expected to grow very slowly increasing by .2 million bbl/day in 1990 and by .1 million bbl/day in 1991. This reflects the depressing effect of low and volatile oil prices on investment in high cost frontiers outside OPEC both in terms of new exploration and development and also in terms of existing older oil fields.

4. OPEC finds a way of allocating its bigger market share among its members so that all share in higher revenues. Thus a price war over market share is avoided.

5. No new Federal taxes are levied on energy.

6. The implied call on OPEC under this scenario, assuming normal inventory fluctuations, is 20.6 million bbl/day in 1990. This compares to our Spring 1989 forecast of 19.4 million bbl/day. The 1991 call on OPEC is projected to be 20.8 million bbl/day.

Expected and Historical Crude Oil Prices For Alaska North Slope Crude and OPEC Marker ($/barrel)

Mid Scenario

Production Mon/YR		ANS at Wellhead	ANS at West Coast	ANS at Gulf Coast	Saudi Lt Ras Tanura
JUL	88	8.62	13.20	14.26	13.32
AUG	88	9.52	12.98	14.09	13.31
SEP	88	7.81	12.37	13.51	11.81
OCT	88	6.79	11.45	12.65	10.46
NOV	88	6.43	11.20	11.89	10.61
DEC	88	7.40	12.03	12.79	12.68
JAN	89	9.69	14.12	16.28	14.61
FEB	89	10.51	15.17	16.44	14.79
MAR	89	11.85	16.21	17.70	16.28
APR	89	13.04	17.71	19.93	17.74
MAY	89	12.97	17.88	17.96	16.28
JUN	89	12.22	16.97	17.39	15.99
JUL	89	11.65	16.47	17.17	16.03
AUG	89	11.48	15.89	16.80	15.36
SEP	89	12.29	16.70	17.62	16.08
OCT	89	11.40	15.83	16.74	15.31
NOV	89	11.40	15.83	16.74	15.31
DEC	89	11.21	15.64	16.55	15.14
JAN	90	10.31	15.64	16.54	15.14
FEB	90	10.31	15.64	16.54	15.14
MAR	90	10.85	16.18	17.09	15.62
APR	90	10.85	16.18	17.09	15.62
MAY	90	10.85	16.19	17.09	15.62
QTR1	FY91	11.20	16.54	17.44	15.93
QTR2	FY91	11.60	16.94	17.84	16.28
QTR3	N 9 1	13.56	18.45	17.82	16.26
QTR4	FY91	13.90	18.78	18.15	16.55
QTRl	FY92	14.73	19.24	19.15	16.95
QTR2	FY92	14.78	19.34	19.25	17.04
QTR3	FY92	15.09	19.57	19.69	17.24
QTR4	N 9 2	15.27	19.80	19.69	17.44

Mid Scenario

Global Oil Market Assumptions

	GLOBAL OIL CONSUMPTION	OPEC OIL PROD.	OPEC NGL PROD.	NON-OPEC PROD.	NET CPE EXPORTS	PROCESSING GAIN	STOCK CHANGE
1989							
Q1	52.7	19.7	2.1	25.1	2.3	1.7	-1.8
Q2	50.3	20.9	2.1	24.7	2.7	1.7	1.8
Q3	51.3	21.3	2.1	25.3	2.6	1.7	1.8
Q4	52.9	20.4	2.1	25.8	2.5	1.7	-0.3
1990							
Q1	51.9	17.9	2.2	25.5	2.5	1.7	-2.2
Q2	51.7	20.8	2.2	25.4	2.6	1.7	1.0
Q3	52.7	22.0	2.2	25.6	2.6	1.7	1.4
Q4	53.9	21.6	2.2	25.6	2.6	1.7	-0.3
1991							
Q1	52.3	18.0	2.3	25.6	2.6	1.7	-2.2
Q2	52.1	21.0	2.3	25.5	2.6	1.7	1.0
Q3	53.1	22.2	2.3	25.7	2.6	1.7	1.4
Q4	54.4	21.8	2.3	25.7	2.6	1.7	-0.3

High Scenario

Summary: The High Scenario assumes vigorous economic growth and correspondingly rapid increases in world wide oil consumption. Non-OPEC production growth remains low, significantly increasing the demand for OPEC crude oil. OPEC's much larger market share makes it far easier to reach a production agreement which keeps oil pi-ices drifting upward.

	General Fund Unrestricted Revenues	Saudi Light Price ($/bbl)	Average Lower 48 ANS Price ($/bbl)
FY 1990	2,645.0	16.36	17.90
FY 1991	2,765.6	17.72	19.52
FY 1992	2,993.4	18.83	21.03

The High Scenario assumptions are as follows:

1. Economic growth worldwide is assumed to be 3.5% in both 1990 and 1991. Continued growth is driven by increased free trade among nations and high rates of consumption by the rapidly expanding economies of the Far East.

2. Oil consumptions increases by 1.6% in 1990 and 1.4% in 1991 in response to rapid economic growth and relatively low oil prices when adjusted for inflation and the value of the dollar.

3. Non-OPEC production increases by .1 million bbl/day in 1990 and 1991. Non-OPEC production growth remains low in response to frontier production problems, like those in the North Sea and Alaska, and low rates of investment in exploration and development due to relatively low oil prices.

4. OPEC develops a workable system for accomodating greater market demand for OPEC production based loosely on a combination of percentage increases with adjustments for differences in production capability.

5. No new Federal taxes are levied on energy.

6. The implied call on OPEC under this scenario, assuming normal inventory fluctuations, is 21.1 million bbl/day in 1990. This compares to our Spring 1989 forecast of 19.4 million bbl/day. The 1991 call on OPEC is projected to be 21.6 million bbl/day.

Expected and Historical Crude Oil Prices
For Alaska North Slope Crude and OPEC Marker
($/barrel)

High Scenario

Production Mon/YR		ANS at Wellhead	ANS at West Coast	ANS at Gulf Coast	Saudi Lt Ras Tanura
JUL	88	8.62	13.20	14.26	13.32
AUG	88	9.52	12.98	14.09	13.31
SEP	88	7.81	12.37	13.51	11.81
OCT	88	6.79	11.45	12.65	10.46
NOV	88	6.43	11.20	11.89	10.61
DEC	88	7.40	12.03	12.79	12.68
JAN	89	9.69	14.12	16.28	14.61
FEB	89	10.51	15.17	16.44	14.79
MAR	89	11.85	16.21	17.70	16.28
APR	89	13.04	17.71	19.93	17.74
MAY	89	12.97	17.88	17.96	16.28
JUN	89	12.22	16.97	17.39	15.99
JUL	89	11.65	16.47	17.17	16.03
AUG	89	12.21	16.68	17.30	15.36
SEP	89	13.02	17.50	18.13	16.08
OCT	89	13.17	17.71	18.43	16.27
NOV	89	13.17	17.71	18.44	16.27
DEC	89	13.32	17.86	18.59	16.40
JAN	90	12.42	17.86	18.60	16.40
FEB	90	12.41	17.86	18.60	16.40
MAR	90	13.14	18.60	19.33	17.05
APR	90	13.14	18.60	19.33	17.05
MAY	90	13.14	18.60	19.34	17.05
QTR1	FY91	13.69	19.15	19.86	17.54
QTR2	FY91	14.10	19.56	20.28	17.90
QTR3	FY91	14.73	19.35	20.08	17.72
QTR4	FY91	14.73	19.38	20.10	17.74
QTR1	FY92	15.65	20.04	20.78	18.32
QTR2	FY92	16.01	20.45	21.19	18.68
QTR3	FY92	17.04	21.57	21.54	19.00
QTR4	FY92	17.39	21.93	21.90	19.32

High Scenario

Global Oil Market Assumptions

	GLOBAL OIL CONSUMPTION	OPEC OIL PROD.	OPEC NGL PROD.	NON-OPEC PROD.	NET CPE EXPORTS	PROCESSING GAIN	STOCK CHANGE
1989							
Q1	52.7	19.7	2.1	25.1	2.3	1.7	-1.8
Q2	50.3	20.9	2.1	24.7	2.7	1.7	1.8
Q3	51.5	21.6	2.1	25.2	2.6	1.7	1.8
Q4	53.6	21.4	2.1	25.5	2.5	1.7	-0.3
1990							
Q1	52.2	18.4	2.2	25.3	2.5	1.7	-2.2
Q2	52.0	21.3	2.2	25.2	2.6	1.7	1.0
Q3	53.0	22.5	2.2	25.4	2.6	1.7	1.4
Q4	54.2	22.1	2.2	25.4	2.6	1.7	-0.3
1991							
Q1	52.9	18.8	2.3	25.4	2.6	1.7	-2.2
Q2	52.7	21.8	2.3	25.3	2.6	1.7	1.0
Q3	53.7	23.0	2.3	25.5	2.6	1.7	1.4
Q4	55.0	22.6	2.3	25.5	2.6	1.7	-0.3

III. REVENUE FORECAST: LONG-TERM OUTLOOK
(FY 1993 - 2010)

This section focuses on the long term from FY1993 through FY2010. This section provides revenue projections for this period, and also sets out the assumptions behind those projections for the low, mid, and high scenarios.

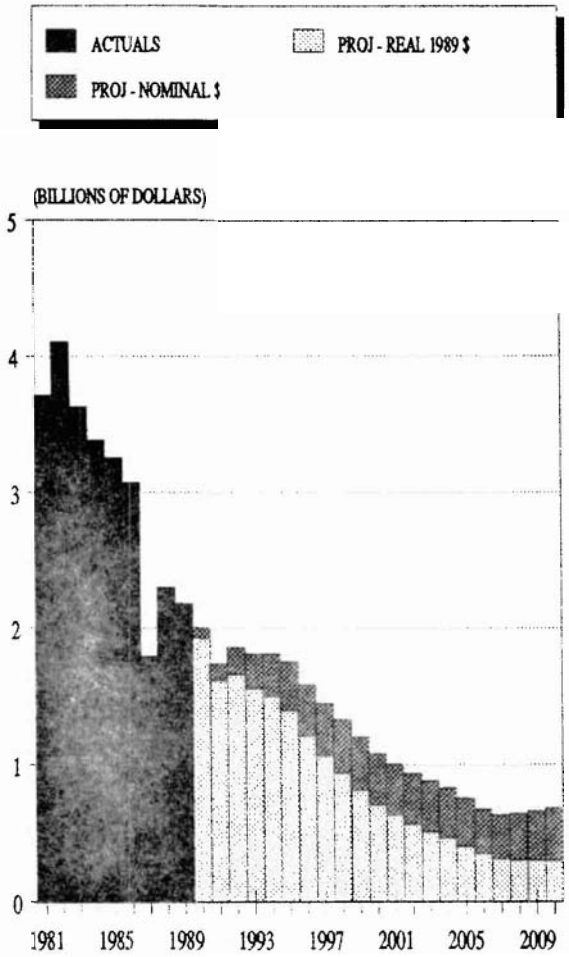
The following graph shows the revenue projections for the low, mid, and high scenarios from N1981 through FY2010 in both nominal and real dollar terms. The assumptions are shown of each of the three scenarios for the inflation rate, Alaska oil production, the TAPS tariff, and the average Lower 48 price for Alaska North Slope (ANS) crude oil.

The first set of tables provide detailed revenue projections for each category of revenues under each of the three scenarios. The next set of tables show the forecast for each scenario of the petroleum production revenues by type and area of the state. The final sets of tables show for each scenario (1) the expected and historical prices from from FY1982 through FY2010 for Alaska North Slope ("ANS") crude oil at the wellhead and the Saudi Light crude oil price at Ras Tanura, and (2) the simulated oil production by field.

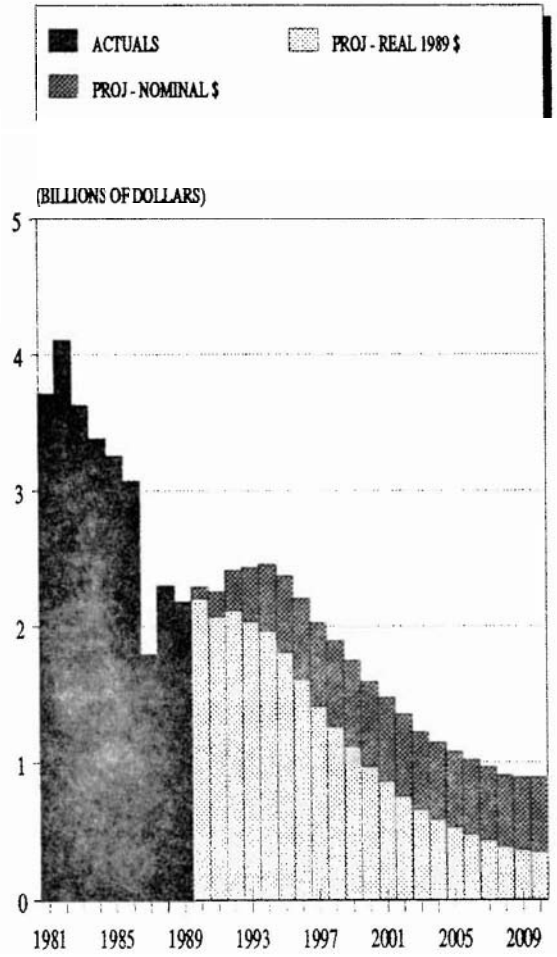
GENERAL FUND UNRESTRICTED REVENUE PROJECTIONS

(FY 1981 - FY 2010)

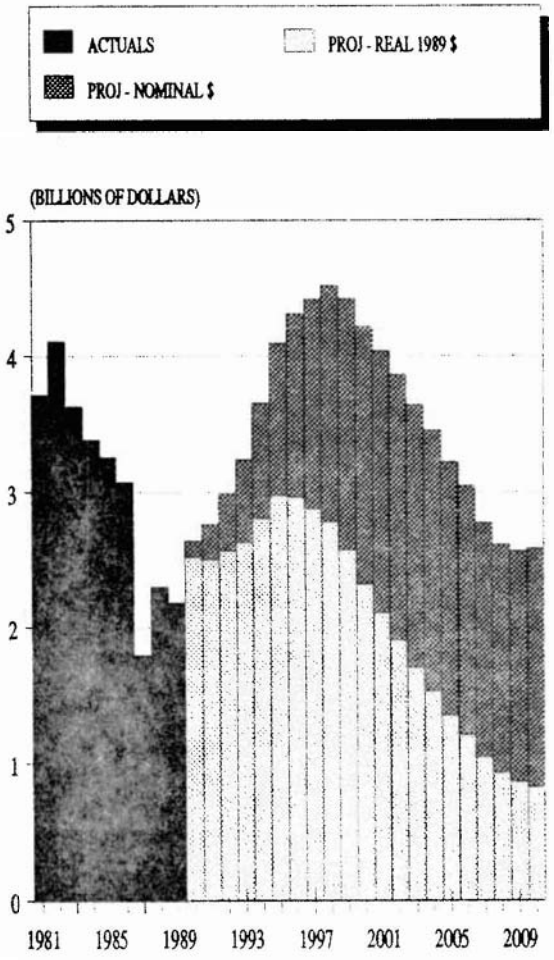
LOW CASE SCENARIO



MID CASE SCENARIO



HIGH CASE SCENARIO



FALL 1989 FORECAST ASSUMPTIONS

The following tables are part of the output from the Department of Revenue's simulation model, the Long-Run Fiscal Model (LRFM). All pertinent assumptions and footnotes are presented below:

1) The conservation surcharge for oil and hazardous release ($0.05/bbl) was included as severance tax.
2) Investment earnings are a function of expenditures and the resulting general investment fund balance. (Note: Permanent Fund earnings are excluded from the long-range revenue forecast.) Expenditures were assumed to increase at the scenario-specific inflation rate from the FY 89 base year. The real rate of return for investment earnings was assumed at 3.00% for all cases.
3) Non-petroleum/non-interest revenues beyond FY 92 were assumed to increase at the scenario-specific inflation rate.

	INFLATION RATE (%)			ALASKA PRODUCTION (Millions of Barrels/Year)			TAPS TARIFF ($/bbl)			AVERAGE LOWER 48 PRICE ($/bbl)		
FY	LOW	MID	HIGH	LOW	MID	HIGH	LOW	MID	HIGH	LOW	MID	HIGH
1990	3.77	4.09	4.65	669.20	685.63	721.76	3.45	3.45	3.45	14.64	16.32	17.90
1991	3.76	4.44	5.39	604.55	635.94	701.27	3.62	3.57	3.49	14.67	17.70	19.52
1992	3.88	4.75	5.57	543.69	588.22	667.43	3.23	3.11	2.96	16.63	19.49	21.03
1993	3.94	4.75	5.69	496.48	563.28	637.37	3.14	3.05	2.90	17.35	20.74	23.46
1994	3.94	4.75	5.69	486.61	548.30	666.92	3.03	2.99	2.74	17.87	21.74	25.09
1995	3.94	4.75	5.69	454.96	503.51	692.58	3.06	2.97	2.70	18.42	22.78	26.87
1996	4.00	4.56	5.69	390.92	443.49	666.87	3.09	2.99	2.68	19.05	23.93	28.85
1997	4.00	4.56	5.69	336.83	385.01	618.97	3.03	2.95	2.64	19.70	25.14	30.97
1998	4.00	4.56	5.69	288.66	335.74	577.74	2.95	2.88	2.63	20.37	26.40	33.24
1999	4.00	4.56	5.69	242.01	292.02	509.93	3.29	3.17	2.77	21.07	27.72	35.68
2000	4.00	4.56	5.69	202.37	249.46	453.13	3.65	3.54	3.04	21.79	29.12	38.30
2001	4.06	4.50	5.56	175.93	217.55	400.05	3.97	3.94	3.31	22.52	30.54	41.06
2002	4.06	4.50	5.56	152.46	186.04	360.51	4.48	4.41	3.60	23.31	32.02	44.02
2003	4.06	4.50	5.56	132.69	160.43	320.30	5.15	4.90	3.91	24.32	33.59	47.19
2004	4.06	4.50	5.56	112.59	139.97	294.37	5.91	5.47	4.25	25.23	35.22	50.58
2005	4.06	4.50	5.56	93.27	120.64	262.99	7.28	6.14	4.57	26.17	36.94	54.23
2006	4.06	4.50	5.56	63.03	105.73	255.02	11.39	6.97	4.94	27.15	38.74	58.13
2007	4.06	4.50	5.56	28.80	91.95	229.19	20.00	8.22	5.38	28.16	40.63	62.32
2008	4.06	4.50	5.56	19.06	69.79	208.86	20.00	9.83	5.85	29.21	42.61	66.81
2009	4.06	4.50	5.56	17.74	60.81	191.48	20.00	11.12	6.25	30.30	44.69	71.62
2010	4.06	4.50	5.56	9.87	49.66	186.90	20.00	13.00	6.76	31.45	46.87	76.78

LOW CASE SCENARIO

(Millions of Dollars)

(1) FY	(2) SEVERANCE TAX	(3) PROPERTY TAX	(4) OIL&GAS INC TAX	(5) GROSS ROYALTIES	(6) MINERAL RENTS	(7) BONUS SALES	(8) SPECIAL PETRO SETTLEMENTS	(9) TOTAL PETROLEUM REVENUES	(10) NON-PETR NON-INTR REVENUES	(11) GEN FUND INTEREST REVENUE	(12) TOTAL REVS W/PERM FND DEDICATION
81	1170.20	143.00	860.10	1501.60	7.90	14.10	0.00	3696.90	186.10	227.80	4110.80
82	1581.70	142.70	668.90	1553.20	26.40	10.30	0.00	3983.20	209.00	324.70	4516.90
83	1493.70	152.60	236.00	1447.40	54.20	73.10	0.00	3457.00	228.60	375.80	4061.40
84	1393.10	131.00	265.10	1409.00	21.90	16.70	0.00	3236.80	245.80	282.70	3765.30
85	1389.40	128.40	168.60	1390.30	23.70	23.60	0.00	3124.00	283.00	233.50	3640.50
86	1107.90	113.50	133.90	1098.25	44.50	70.10	460.70	3028.80	222.40	195.20	3446.40
87	648.50	102.50	120.40	591.60	29.10	1.00	85.20	1578.30	243.00	161.90	1983.20
88	818.70	96.20	158.00	953.50	24.20	11.30	329.00	2390.90	223.60	132.60	2747.10
89	698.80	89.70	166.00	818.70	18.00	23.00	259.70	2073.90	245.10	100.70	2419.70
90	765.44	84.60	109.00	795.45	19.80	0.00	111.40	1885.69	245.70	91.40	2222.79
91	698.92	79.70	114.00	702.33	19.10	0.00	4.00	1618.05	248.80	69.60	1936.45
92	783.73	75.20	110.00	807.74	19.10	0.00	4.00	1799.77	252.40	29.40	2081.57
93	747.55	70.40	105.00	791.08	18.15	0.00	9.40	1741.58	262.34	26.12	2030.04
94	736.98	64.30	95.00	811.81	17.24	0.00	9.40	1734.73	272.68	27.33	2034.74
95	699.56	56.70	90.00	786.47	16.38	0.00	9.40	1658.51	283.42	28.56	1970.49
96	597.85	51.40	76.00	705.09	15.56	0.00	9.40	1455.30	294.76	29.98	1780.04
97	515.82	46.60	62.00	639.00	14.78	0.00	9.40	1287.60	306.55	31.43	1625.58
98	441.16	41.90	53.00	579.56	14.04	0.00	13.40	1143.06	318.81	32.93	1494.80
99	368.74	37.30	44.00	502.13	13.34	0.00	13.40	978.91	331.57	34.47	1344.95
00	291.83	33.00	42.00	431.15	12.67	0.00	13.40	824.05	344.83	36.08	1204.96
01	243.42	29.00	40.00	388.17	12.04	0.00	13.40	726.02	358.83	37.90	1122.75
02	196.01	25.30	33.00	346.29	11.44	0.00	13.40	625.44	373.40	39.65	1038.48
03	151.90	21.40	46.00	306.83	10.86	0.00	0.00	536.99	388.56	41.47	967.02
04	101.53	19.40	57.00	269.31	10.32	0.00	0.00	457.56	404.33	43.36	905.25
05	49.54	17.70	52.00	223.46	9.80	0.00	0.00	352.50	420.75	45.32	818.57
06	18.84	16.20	49.00	139.38	9.31	0.00	0.00	232.73	437.83	47.36	717.93
07	17.94	14.70	44.00	60.21	8.85	0.00	0.00	145.70	455.61	49.46	650.77
08	18.14	13.00	40.00	57.01	8.41	0.00	0.00	136.56	474.11	51.65	662.31
09	18.74	11.10	36.00	58.96	7.99	0.00	0.00	132.79	493.35	53.91	680.05
10	28.00	9.20	32.00	54.74	7.59	0.00	0.00	131.53	513.38	56.35	701.26

(13) FY	(14) TOTAL REVS W/ PERM FND DEDICATION	(15) PUB SCH FUND	(16) NPR-A FUND	(17) OTHER FUNDS	(18) PERM FUND DEDICATN	(19) NET GEN FUND UNRESTRD REVENUES NOM $	(20) REAL 1989 $
81	4110.80	7.50	0.00	74.30	385.10	3718.20	
82	4516.90	8.00	0.00	0.00	400.50	4108.40	
83	4061.40	9.40	0.00	0.00	421.00	3631.00	
84	3765.30	9.00	0.00	0.00	366.20	3390.10	
85	3640.50	7.10	5.40	0.00	368.00	3260.00	
86	3446.40	6.50	41.00	0.00	323.40	3075.50	
87	1983.20	3.30	9.90	0.00	170.60	1799.40	
88	2747.10	6.60	1.00	15.80	417.90	2305.80	
89	2419.70	4.30	0.80	0.00	228.40	2186.20	2186.20
90	2222.79	4.10	1.00	0.00	212.20	2005.49	1932.56
91	1936.45	3.60	1.00	0.00	188.50	1743.35	1619.04
92	2081.57	4.10	1.00	0.00	216.40	1860.07	1662.85
93	2030.04	4.06	1.00	0.00	211.83	1813.15	1559.45
94	2034.74	4.16	0.50	0.00	216.79	1813.29	1500.45
95	1970.49	4.03	0.00	0.00	210.50	1755.96	1397.93
96	1780.04	3.63	0.00	0.00	189.76	1586.66	1214.57
97	1625.58	3.30	0.00	0.00	172.88	1449.40	1066.82
98	1494.80	3.00	0.00	0.00	159.55	1332.25	942.88
99	1344.95	2.61	0.00	0.00	139.60	1202.74	818.47
00	1204.96	2.26	0.00	0.00	121.50	1081.21	707.47
01	1122.75	2.04	0.00	0.00	111.38	1009.33	634.67
02	1038.48	1.83	0.00	0.00	100.38	936.27	565.76
03	967.02	1.63	0.00	0.00	83.13	882.26	512.32
04	905.25	1.45	0.00	0.00	73.52	830.29	463.33
05	818.57	1.22	0.00	0.00	61.43	755.93	405.37
06	717.93	0.80	0.00	0.00	39.15	677.98	349.39
07	650.77	0.40	0.00	0.00	17.83	632.54	313.25
08	662.31	0.39	0.00	0.00	16.89	645.03	306.97
09	680.05	0.39	0.00	0.00	17.24	662.41	302.94
10	701.26	0.37	0.00	0.00	16.06	684.82	300.99

MID CASE SCENARIO
(Millions of Dollars)

(1) FY	(2) SEVERANCE TAX	(3) PROPERTY	(4) OIL&GAS INC TAX	(5) GROSS ROYALTIES	(6) MINERAL RENTS	(7) BONUS	(8) SPECIAL PETRO	(9) TOTAL PETROLEUM	(10) NON-PETR NON-INTR REVENUES	(11) GEN FUND INTEREST REVENUES	(12) TOTAL REVS W/ PERM FND DEDICATION
81	1170.20	143.00	860.10	1501.60	7.90	14.10	0.00	3696.90	186.10	227.80	4110.80
82	1581.70	142.70	668.90	1553.20	26.40	10.30	0.00	3983.20	209.00	324.70	4516.90
83	1493.70	152.60	236.00	1447.40	54.20	73.10	0.00	3457.00	228.60	375.80	4061.40
84	1393.10	131.00	265.10	1409.00	21.90	16.70	0.00	3236.80	245.80	282.70	3765.30
85	1389.40	128.40	168.60	1390.30	23.70	23.60	0.00	3124.00	283.00	233.50	3640.50
86	1107.90	113.50	133.90	1098.20	44.50	70.10	460.70	3028.80	222.40	195.20	3446.40
87	648.50	102.50	120.40	591.60	29.10	1.00	85.20	1578.30	243.00	161.90	1983.20
88	818.70	96.20	158.00	953.50	24.20	11.30	329.00	2390.90	223.60	132.60	2747.10
89	698.80	89.70	166.00	818.70	18.00	23.00	259.70	2073.90	245.10	100.70	2419.70
90	914.81	84.60	130.00	953.12	19.80	0.00	111.40	2213.73	245.70	94.70	2554.13
91	946.67	79.70	139.00	981.40	19.10	0.00	4.00	2169.87	248.80	103.20	2521.87
92	1020.89	75.20	135.00	1090.99	19.10	0.00	4.00	2345.18	252.40	115.20	2712.78
93	1026.54	70.40	134.00	1139.26	18.15	0.00	9.40	2397.75	264.39	83.84	2745.98
94	1015.22	64.30	133.00	1199.85	17.24	0.00	9.40	2439.01	276.95	70.77	2786.73
95	963.08	56.70	129.00	1186.54	16.38	0.00	9.40	2361.10	290.10	47.35	2698.55
96	861.25	51.40	127.00	1113.89	15.56	0.00	9.40	2178.50	303.33	32.91	2514.74
97	752.58	46.60	112.00	1033.04	14.78	0.00	9.40	1968.40	317.16	34.76	2320.32
98	660.58	41.90	103.00	966.88	14.04	0.00	13.40	1799.80	331.63	36.63	2168.06
99	578.70	37.30	94.00	879.29	13.34	0.00	13.40	1616.03	346.75	38.59	2001.37
00	485.37	33.00	85.00	788.49	12.67	0.00	13.40	1417.93	362.56	40.62	1821.12
01	406.72	29.00	79.00	721.56	12.04	0.00	13.40	1261.72	378.87	42.57	1683.16
02	321.06	25.30	73.00	647.64	11.44	0.00	13.40	1091.84	395.92	44.76	1532.52
03	241.02	21.40	69.00	583.77	10.86	0.00	0.00	926.05	413.74	47.05	1386.84
04	184.45	19.40	64.00	534.64	10.32	0.00	0.00	812.81	432.36	49.42	1294.59
05	132.56	17.70	66.00	482.16	9.80	0.00	0.00	708.22	451.82	51.89	1211.93
06	87.45	16.20	60.00	441.49	9.31	0.00	0.00	614.45	472.15	54.45	1141.05
07	51.19	14.70	56.00	397.23	8.85	0.00	0.00	527.97	493.39	57.15	1078.51
08	33.06	13.00	45.00	318.46	8.41	0.00	0.00	417.93	515.60	59.96	993.48
09	29.13	11.10	42.00	290.97	7.99	0.00	0.00	381.19	538.80	62.89	982.87
10	43.20	9.20	38.00	248.73	7.59	0.00	0.00	346.72	563.04	66.03	975.79

(13) FY	(14) TOTAL REVS W/ PERM FND DEDICATION	(15) PUB SCH FUND	(16) NPR-A FUND	(17) OTHER FUNDS	(18) PERM FUND DEDICATN	(19) NET GEN FUND UNRESTRD REVENUES NOM $	(20) REAL 1989 $
81	4110.80	7.50	0.00	74.30	385.10	3718.20	
82	4516.90	8.00	0.00	0.00	400.50	4108.40	
83	4061.40	9.40	0.00	0.00	421.00	3631.00	
84	3765.30	9.00	0.00	0.00	366.20	3390.10	
85	3640.50	7.10	5.40	0.00	368.00	3260.00	
86	3446.40	6.50	41.00	0.00	323.40	3075.50	
87	1983.20	3.30	9.90	0.00	170.60	1799.40	
88	2747.10	6.60	1.00	15.80	417.90	2305.80	
89	2419.70	4.30	0.80	0.00	228.40	2186.20	2186.20
90	2554.13	4.90	1.00	0.00	252.70	2295.53	2205.33
91	2521.87	5.00	1.00	0.00	260.30	2255.57	2074.82
92	2712.78	5.60	1.00	0.00	290.10	2416.08	2121.69
93	2745.98	5.80	1.00	0.00	304.00	2435.18	2041.47
94	2786.73	6.10	0.50	0.00	319.46	2460.67	1969.30
95	2698.55	6.03	0.00	0.00	316.71	2375.81	1815.16
96	2514.74	5.67	0.00	0.00	300.11	2208.96	1614.08
97	2320.32	5.27	0.00	0.00	283.67	2031.38	1419.59
98	2168.06	4.93	0.00	0.00	266.48	1896.64	1267.63
99	2001.37	4.50	0.00	0.00	244.09	1752.78	1120.38
00	1821.12	4.04	0.00	0.00	219.80	1597.27	976.45
01	1683.16	3.71	0.00	0.00	201.99	1477.46	864.31
02	1532.52	3.34	0.00	0.00	175.55	1353.64	757.77
03	1386.84	3.02	0.00	0.00	158.41	1225.41	656.45
04	1294.59	2.77	0.00	0.00	143.32	1148.49	588.75
05	1211.93	2.51	0.00	0.00	129.79	1079.62	529.61
06	1141.05	2.31	0.00	0.00	118.68	1020.06	478.84
07	1078.51	2.09	0.00	0.00	106.53	969.89	435.68
08	993.48	1.69	0.00	0.00	85.44	906.35	389.61
09	982.87	1.55	0.00	0.00	87.00	894.32	367.88
10	975.79	1.34	0.00	0.00	82.91	891.54	350.96

HIGH CASE SCENARIO
(Millions of Dollars)

(1) FY	(2) SEVERANCE TAX	(3) PROPERTY TAX	(4) OIL&GAS INC TAX	(5) GROSS ROYALTIES	(6) MINERAL RENTS	(7) BONUS SALES	(8) SPECIAL PETRO SETTLEMENTS	(9) TOTAL PETROLEUM REVENUES	(10) NON-PETR NON-INTR REVENUES	(11) GEN FUND INTEREST REVENUES	(12) TOTAL REVS W/PERM FND DEDICATION
81	1170.20	143.00	860.10	1501.60	7.90	14.10	0.00	3696.90	186.10	227.80	4110.80
82	1581.70	142.70	668.90	1553.20	26.40	10.30	0.00	3983.20	209.00	324.70	4516.90
83	1493.70	152.60	236.00	1447.40	54.20	73.10	0.00	3457.00	228.60	375.80	4061.40
84	1393.10	131.00	265.10	1409.00	21.90	16.70	0.00	3236.80	245.80	282.70	3765.30
85	1389.40	128.40	168.60	1390.30	23.70	23.60	0.00	3124.00	283.00	233.50	3640.50
86	1107.90	113.50	133.90	1098.20	44.50	70.10	460.70	3028.80	222.40	195.20	3446.40
87	648.50	102.50	120.40	591.60	29.10	1.00	85.20	1578.30	243.00	161.90	1983.20
88	818.70	96.20	158.00	953.50	24.20	11.30	329.00	2390.90	223.60	132.60	2747.10
89	698.80	89.70	166.00	818.70	18.00	23.00	259.70	2073.90	245.10	100.70	2419.70
90	1096.56	84.60	157.00	1133.50	19.80	0.00	111.40	2608.86	245.70	98.20	2952.76
91	1203.24	79.70	164.00	1237.33	19.10	0.00	4.00	2707.37	248.80	143.50	3099.67
92	1290.44	75.20	160.00	1367.19	19.10	0.00	4.00	2915.93	252.40	195.40	3363.73
93	1364.40	70.40	151.00	1550.14	18.15	0.00	9.40	3163.49	266.76	240.55	3670.79
94	1532.75	64.30	166.00	1769.08	17.24	0.00	9.40	3558.77	281.94	302.84	4143.55
95	1697.54	56.70	191.00	1986.34	16.38	0.00	9.40	3957.36	297.98	387.32	4642.66
96	1720.54	51.40	201.00	2092.65	15.56	0.00	9.40	4090.55	314.94	484.73	4890.22
97	1701.43	46.60	204.00	2119.96	14.78	0.00	9.40	4096.17	332.86	581.01	5010.04
98	1682.47	41.90	204.00	2150.71	14.04	0.00	13.40	4106.52	351.80	671.12	5129.44
99	1566.63	37.30	209.00	2055.77	13.34	0.00	13.40	3895.44	371.81	745.65	5012.91
00	1372.22	33.00	210.00	1960.72	12.67	0.00	13.40	3602.01	392.97	791.40	4786.38
01	1239.40	29.00	213.00	1868.37	12.04	0.00	13.40	3375.21	414.82	793.63	4583.66
02	1108.65	25.30	212.00	1807.18	11.44	0.00	13.40	3177.97	437.88	775.97	4391.82
03	986.04	21.40	215.00	1724.23	10.86	0.00	0.00	2957.53	462.23	723.83	4143.59
04	881.07	19.40	216.00	1701.11	10.32	0.00	0.00	2827.90	487.93	636.38	3952.21
05	789.57	17.70	219.00	1634.47	9.80	0.00	0.00	2670.54	515.06	511.81	3697.41
06	707.41	16.20	222.00	1689.88	9.31	0.00	0.00	2644.80	543.70	349.51	3538.01
07	625.39	14.70	225.00	1625.40	8.85	0.00	0.00	2499.34	573.93	169.44	3242.71
08	550.22	13.00	228.00	1587.02	8.41	0.00	0.00	2386.65	605.84	81.89	3074.38
09	477.13	11.10	230.00	1560.30	7.99	0.00	0.00	2286.52	639.52	87.01	3013.05
10	412.90	9.20	232.00	1611.99	7.59	0.00	0.00	2273.68	675.08	92.94	3041.69

(13) FY	(14) TOTAL REVS W/ PERM FND DEDICATION	(15) PUB SCH FUND	(16) NPR-A FUND	(17) OTHER FUNDS	(18) PERM FUND DEDICATN	(19) NET GEN FUND UNRESTRD REVENUES NOM $	(20) REAL 1989 $
81	4110.80	7.50	0.00	74.30	385.10	3718.20	
82	4516.90	8.00	0.00	0.00	400.50	4108.40	
83	4061.40	9.40	0.00	0.00	421.00	3631.00	
84	3765.30	9.00	0.00	0.00	366.20	3390.10	
85	3640.50	7.10	5.40	0.00	368.00	3260.00	
86	3446.40	6.50	41.00	0.00	323.40	3075.50	
87	1983.20	3.30	9.90	0.00	170.60	1799.40	
88	2747.10	6.60	1.00	15.80	417.90	2305.80	
89	2419.70	4.30	0.80	0.00	228.40	2186.20	2186.20
90	2952.76	5.80	1.00	0.00	301.00	2644.96	2527.43
91	3099.67	6.30	1.00	0.00	326.70	2765.67	2507.62
92	3363.73	6.90	1.00	0.00	362.30	2993.53	2570.96
93	3670.79	7.85	1.00	0.00	418.91	3243.04	2635.29
94	4143.55	8.95	0.50	0.00	479.13	3654.97	2810.13
95	4642.66	10.03	0.00	0.00	538.39	4094.25	2978.40
96	4890.22	10.56	0.00	0.00	568.93	4310.73	2967.05
97	5010.04	10.70	0.00	0.00	578.10	4421.24	2879.28
98	5129.44	10.85	0.00	0.00	596.72	4521.87	2786.28
99	5012.91	10.38	0.00	0.00	580.10	4422.43	2578.30
00	4786.38	9.90	0.00	0.00	558.08	4218.40	2326.94
01	4583.66	9.44	0.00	0.00	534.71	4039.51	2110.89
02	4391.82	9.14	0.00	0.00	518.79	3863.89	1912.77
03	4143.59	8.72	0.00	0.00	490.12	3644.75	1709.25
04	3952.21	8.61	0.00	0.00	483.42	3460.19	1537.22
05	3697.41	8.27	0.00	0.00	465.75	3223.39	1356.59
06	3538.01	8.55	0.00	0.00	479.08	3050.38	1216.15
07	3242.71	8.23	0.00	0.00	460.76	2773.72	1047.61
08	3074.38	8.04	0.00	0.00	449.01	2617.33	936.48
09	3013.05	7.90	0.00	0.00	438.40	2566.75	870.01
10	3041.69	8.16	0.00	0.00	447.72	2585.82	830.32

Low Scenario Petroleum Production Revenue Forecast
(Millions of $)

	Alaska North Slope							Cook Inlet							
Fiscal Year	Oil Royalty	Oil Severance	Conservation Tax	Gas Royalty	Gas Severance	Hazardous Rel. Fund	ANS Total	Oil Royalty	Oil Severance	Conservation Tax	Gas Royalty	Gas Severance	Hazardous Rel. Fund	Cook Inlet Total	State Total
1989	784.6	675.3	2.4	14.7	9.2	0.0	1,486.2	23.3	0.4	0.1	19.2	8.9	0.0	51.8	1,538.0
1990	734.4	721.9	2.2	12.7	7.8	25.4	1,504.4	27.7	0.1	0.1	20.6	7.4	0.6	59.5	1,563.9
1991	651.2	657.2	2.0	10.7	6.5	25.2	1,352.8	21.2	0.0	0.1	19.2	7.4	0.6	48.5	1,401.2
1992	754.6	743.1	1.8	13.4	7.9	22.6	1,543.4	19.6	0.0	0.1	20.2	7.7	0.5	48.1	1,591.5
1993	738.6	709.4	1.7	13.3	7.3	20.6	1,491.0	18.1	0.0	0.0	21.1	8.0	0.5	47.7	1,538.6
1994	759.9	699.2	1.6	13.5	7.3	20.2	1,501.7	16.7	0.0	0.0	21.7	8.2	0.4	47.1	1,548.8
1995	735.2	663.2	1.5	13.5	7.2	18.9	1,439.4	15.5	0.0	0.0	22.4	8.3	0.4	46.6	1,486.0
1996	654.5	564.6	1.3	13.1	6.8	16.1	1,256.5	14.3	0.0	0.0	23.1	8.6	0.4	46.4	1,302.9
1997	589.5	485.5	1.1	12.4	6.1	13.9	1,108.6	13.1	0.0	0.0	23.9	8.8	0.3	46.2	1,154.8
1998	527.7	408.8	0.9	11.6	5.4	12.0	966.5	12.0	0.0	0.0	28.2	13.7	0.3	54.2	1,020.7
1999	454.7	340.2	0.8	7.2	3.2	10.1	816.2	11.0	0.0	0.0	29.1	14.1	0.3	54.6	870.8
2000	386.5	267.2	0.6	6.4	2.6	8.4	671.6	10.0	0.0	0.0	28.3	12.7	0.2	51.3	722.9
2001	343.7	219.8	0.5	6.0	2.2	7.3	579.5	9.1	0.0	0.0	29.3	13.2	0.2	51.9	631.5
2002	302.0	173.4	0.4	5.5	1.8	6.3	489.5	8.3	0.0	0.0	30.4	13.7	0.2	52.7	542.2
2003	262.6	130.0	0.4	5.0	1.5	5.5	405.0	7.6	0.0	0.0	31.6	14.2	0.2	53.6	458.6
2004	225.1	80.4	0.3	4.5	1.0	4.7	316.0	7.0	0.0	0.0	32.8	14.8	0.2	54.7	370.7
2005	179.2	29.2	0.3	3.9	0.5	3.9	217.0	6.4	0.0	0.0	34.0	15.3	0.1	55.9	272.8
2006	95.4	0.0	0.1	2.9	0.0	2.6	100.9	5.9	0.0	0.0	35.2	15.9	0.1	57.2	158.0
2007	16.3	0.0	0.0	1.9	0.0	1.1	19.4	5.4	0.0	0.0	36.6	16.5	0.1	58.6	77.9
2008	12.2	0.0	0.0	1.9	0.0	0.7	14.8	5.0	0.0	0.0	37.9	17.1	0.1	60.1	74.9
2009	13.1	0.0	0.0	1.9	0.0	0.7	15.7	4.6	0.0	0.0	39.3	17.7	0.1	61.7	77.5
2010	7.8	0.0	0.0	1.9	0.0	0.3	10.0	4.2	0.0	0.0	40.8	27.3	0.1	72.5	82.5

Mid Scenario Petroleum Production Revenue Forecast
(Millions of $)

	Alaska North Slope							Cook Inlet							
Fiscal Year	Oil Royalty	Oil Severance	Conservation Tax	Gas Royalty	Gas Severance	Hazardous Rel. Fund	ANS Total	Oil Royalty	Oil Severance	Conservation Tax	Gas Royalty	Gas Severance	Hazardous Rel. Fund	Cook Inlet Total	State Total
1989	784.6	675.3	2.4	14.7	9.2	0.0	1,486.2	23.3	0.4	0.1	19.2	8.9	0.0	51.8	1,538.0
1990	887.0	867.4	2.3	17.8	10.9	26.1	1,811.5	27.7	0.1	0.1	20.6	7.4	0.6	56.5	1,867.9
1991	917.1	897.5	2.1	19.1	11.6	26.4	1,873.9	22.7	0.0	0.1	22.4	8.4	0.6	54.2	1,928.1
1992	1,025.4	972.7	2.0	20.9	12.5	24.5	2,057.8	21.1	0.0	0.1	23.7	8.7	0.5	54.1	2,111.9
1993	1,074.2	980.1	1.9	20.1	11.3	23.5	2,111.1	19.7	0.0	0.0	25.2	9.2	0.5	54.7	2,165.8
1994	1,137.5	970.3	1.8	18.7	10.1	22.9	2,161.3	18.4	0.0	0.0	26.4	9.6	0.4	54.9	2,216.2
1995	1,124.3	920.6	1.7	17.4	9.4	21.0	2,094.4	17.2	0.0	0.0	27.7	10.0	0.4	55.2	2,149.6
1996	1,052.9	822.2	1.5	16.0	8.3	18.5	1,919.3	16.0	0.0	0.0	29.1	10.4	0.4	55.8	1,975.1
1997	972.7	716.6	1.3	14.9	7.4	16.0	1,729.1	14.8	0.0	0.0	30.5	10.8	0.3	56.5	1,785.6
1998	902.2	620.5	1.1	14.4	6.9	14.1	1,559.2	13.7	0.0	0.0	36.5	17.7	0.3	68.2	1,627.4
1999	815.4	540.8	1.0	12.8	5.7	12.2	1,388.0	12.7	0.0	0.0	38.3	18.6	0.3	69.9	1,457.9
2000	727.3	451.9	0.7	11.7	5.0	10.4	1,207.0	11.7	0.0	0.0	37.8	17.0	0.2	66.8	1,273.8
2001	659.9	374.4	0.6	11.3	4.4	9.1	1,059.7	10.8	0.0	0.0	39.6	17.9	0.2	68.5	1,128.2
2002	586.2	290.3	0.5	10.0	3.4	7.8	898.2	9.9	0.0	0.0	41.5	18.7	0.2	70.4	968.6
2003	521.6	211.1	0.5	9.5	2.8	6.7	752.1	9.1	0.0	0.0	43.6	19.6	0.2	72.5	824.6
2004	471.6	155.1	0.4	8.9	2.2	5.8	644.0	8.5	0.0	0.0	45.7	20.6	0.2	74.9	718.9
2005	418.2	103.6	0.3	8.2	1.7	5.0	537.0	7.9	0.0	0.0	47.9	21.6	0.1	77.5	614.5
2006	376.5	58.6	0.3	7.4	1.2	4.4	448.4	7.3	0.0	0.0	50.3	22.7	0.1	80.3	528.7
2007	331.2	22.3	0.3	6.5	0.7	3.8	364.8	6.8	0.0	0.0	52.7	23.8	0.1	83.4	448.2
2008	251.3	4.4	0.2	5.6	0.3	2.9	264.7	6.3	0.0	0.0	55.3	24.9	0.1	86.6	351.3
2009	221.5	0.1	0.1	5.6	0.0	2.5	229.8	5.8	0.0	0.0	58.0	26.1	0.1	90.0	319.9
2010	177.8	0.1	0.0	4.7	0.0	2.0	184.6	5.4	0.0	0.0	60.8	40.7	0.1	107.0	291.7

High Scenario Petroleum Production Revenue Forecast
(Millions of $)

	Alaska North Slope							Cook Inlet							
Fiscal Year	Oil Royalty	Oil Severance	Conservation Tax	Gas Royalty	Gas Severance	Hazardous Rel. Fund	ANS Total	Oil Royalty	Oil Severance	Conservation Tax	Gas Royalty	Gas Severance	Hazardous Rel. Fund	Cook Inlet Total	State Total
1989	784.6	675.3	2.4	14.7	9.2	0.0	1,486.2	23.3	0.4	0.1	19.2	8.9	0.0	51.8	1,538.0
1990	1,066.8	1,043.5	2.4	24.4	15.0	27.5	2,179.6	27.7	0.1	0.1	20.6	7.4	0.6	56.5	2,236.1
1991	1,160.4	1,144.6	2.3	28.8	17.7	29.0	2,382.8	23.7	0.0	0.1	24.4	9.0	0.6	57.8	2,440.6
1992	1,287.8	1,231.9	2.2	31.4	19.1	27.6	2,599.9	22.1	0.0	0.1	26.0	9.4	0.5	58.1	2,658.0
1993	1,468.8	1,306.1	2.1	33.1	19.0	26.4	2,855.4	21.0	0.0	0.1	28.5	10.2	0.5	60.3	2,915.6
1994	1,683.9	1,471.9	2.2	34.9	19.5	27.7	3,240.1	19.9	0.0	0.0	30.5	10.8	0.4	61.6	3,301.7
1995	1,897.8	1,632.7	2.3	36.3	20.7	27.5	3,617.4	18.8	0.0	0.0	32.6	11.4	0.4	63.2	3,680.6
1996	2,000.8	1,655.2	2.2	37.2	21.0	25.6	3,742.0	17.8	0.0	0.0	35.3	12.3	0.4	65.8	3,807.9
1997	2,026.8	1,637.3	2.0	37.0	20.7	23.7	3,747.5	16.7	0.0	0.0	37.5	12.9	0.3	67.5	3,815.0
1998	2,050.3	1,612.9	1.9	36.2	20.2	22.1	3,743.6	15.7	0.0	0.0	45.9	22.2	0.3	84.1	3,827.7
1999	1,969.3	1,507.6	1.7	20.0	10.9	19.5	3,528.8	14.7	0.0	0.0	49.3	23.9	0.3	88.2	3,617.0
2000	1,874.6	1,317.9	1.4	20.2	10.7	16.8	3,241.6	13.8	0.0	0.0	49.6	22.4	0.2	86.0	3,327.6
2001	1,780.7	1,186.4	1.3	19.2	9.8	14.8	3,012.2	12.9	0.0	0.0	53.2	24.0	0.2	90.3	3,102.5
2002	1,716.5	1,056.3	1.1	19.2	9.5	13.0	2,815.6	12.1	0.0	0.0	57.0	25.7	0.2	95.1	2,910.7
2003	1,630.4	933.9	1.0	19.1	9.2	11.4	2,604.9	11.4	0.0	0.0	61.1	27.6	0.2	100.3	2,705.1
2004	1,605.3	829.5	0.9	17.3	8.0	10.1	2,471.0	10.8	0.0	0.0	65.5	29.5	0.2	106.1	2,577.1
2005	1,535.0	737.8	0.7	16.8	7.5	8.8	2,306.7	10.2	0.0	0.0	70.3	31.7	0.1	112.3	2,419.0
2006	1,586.6	655.1	0.6	16.2	6.9	7.8	2,273.1	9.7	0.0	0.0	75.3	34.0	0.1	119.1	2,392.2
2007	1,518.1	572.4	0.5	15.4	6.1	6.8	2,119.3	9.2	0.0	0.0	80.7	36.4	0.1	126.4	2,245.7
2008	1,473.4	495.4	0.4	16.4	6.2	5.9	1,997.7	8.7	0.0	0.0	86.6	39.0	0.1	134.4	2,132.1
2009	1,442.0	421.0	0.4	15.3	5.4	5.2	1,889.3	8.2	0.0	0.0	92.8	41.8	0.1	143.0	2,032.3
2010	1,486.5	332.8	0.3	16.3	5.2	4.5	1,845.6	7.8	0.0	0.0	99.5	66.7	0.1	174.1	2,019.7

Expected and Historical Crude Oil Prices For Alaska North Slope Crude and OPEC Marker In 1989 dollars[1]

	Low Scenario		Mid Scenario		High Scenario	
Fiscal Year	Saudi Lt Ras Tanura	ANS at Wellhead	Saudi Lt Ras Tanura	ANS at Wellhead	Saudi Lt Ras Tanura	ANS at Wellhead
1982	42.13	25.91	42.13	25.91	42.13	25.91
1983	37.11	21.48	37.11	21.48	37.11	21.48
1984	33.52	20.91	33.52	20.91	33.52	20.91
1985	31.09	19.59	31.09	19.59	31.09	19.59
1986	24.36	13.51	24.36	13.51	24.36	13.51
1987	16.18	8.31	16.18	8.31	16.18	8.31
1988	16.75	10.98	16.75	10.98	16.75	10.98
1989	13.85	9.52	13.85	9.52	13.85	9.52
1990	14.05	9.27	14.92	10.83	15.62	12.21
1991	12.94	8.85	14.95	11.55	16.04	12.95
1992	13.08	10.75	15.08	13.15	16.12	14.15
1993	13.13	11.07	15.32	13.63	16.74	15.35
1994	13.01	11.19	15.33	13.82	16.94	15.87
1995	12.90	11.15	15.33	13.97	17.14	16.25
1996	12.83	11.15	15.40	14.13	17.41	16.72
1997	12.75	11.21	15.47	14.33	17.68	17.17
1998	12.68	11.27	15.53	14.54	17.95	17.59
1999	12.61	11.07	15.60	14.54	18.23	17.92
2000	12.54	10.84	15.67	14.51	18.52	18.19
2001	12.50	10.70	15.73	14.44	18.81	18.47
2002	12.46	10.46	15.78	14.36	19.10	18.78
2003	12.42	10.15	15.84	14.27	19.40	19.08
2004	12.39	9.80	15.90	14.17	19.70	19.38
2005	12.35	9.16	15.95	14.05	20.01	19.70
2006	12.31	7.24	16.01	13.87	20.32	20.02
2007	12.27	3.26	16.07	13.53	20.64	20.33
2008	12.23	3.63	16.13	13.12	20.96	20.64
2009	12.20	3.96	16.19	12.85	21.29	21.00
2010	12.16	4.37	16.24	12.45	21.62	21.34

[1] FY 1982 through FY 1989 are nominal dollars.

Simulated Oil Production
(Millions of barrels/day)

Low Scenario

Year	Prudhoe	NGL'S	Kuparuk	Milne Point	Endicott	Lisburne	Pt. Thomson	Niakuk	Pt McIntrye	Total ANS	Cook Inlet	Total Alaska
1989	1.475	0.058	0.300	0.000	0.098	0.038	0.000	0.000	0.000	1.969	0.042	2.011
1990	1.315	0.044	0.279	0.018	0.099	0.037	0.000	0.000	0.000	1.792	0.041	1.833
1991	1.184	0.038	0.255	0.026	0.097	0.019	0.000	0.000	0.000	1.619	0.037	1.656
1992	1.064	0.034	0.235	0.026	0.089	0.000	0.000	0.008	0.000	1.456	0.034	1.490
1993	0.970	0.032	0.216	0.025	0.071	0.000	0.000	0.016	0.000	1.330	0.030	1.360
1994	0.950	0.031	0.182	0.021	0.062	0.000	0.000	0.015	0.045	1.306	0.027	1.333
1995	0.900	0.030	0.156	0.018	0.058	0.000	0.000	0.015	0.045	1.222	0.024	1.246
1996	0.760	0.028	0.133	0.015	0.053	0.000	0.000	0.015	0.045	1.049	0.022	1.071
1997	0.644	0.025	0.113	0.012	0.049	0.000	0.000	0.015	0.045	0.903	0.020	0.923
1998	0.544	0.022	0.097	0.009	0.045	0.000	0.000	0.015	0.041	0.773	0.018	0.791
1999	0.460	0.012	0.081	0.000	0.040	0.000	0.000	0.015	0.039	0.647	0.016	0.663
2000	0.376	0.010	0.067	0.000	0.036	0.000	0.000	0.014	0.037	0.540	0.014	0.554
2001	0.323	0.009	0.057	0.000	0.032	0.000	0.000	0.013	0.035	0.469	0.013	0.482
2002	0.276	0.008	0.049	0.000	0.029	0.000	0.000	0.011	0.033	0.406	0.012	0.418
2003	0.237	0.007	0.042	0.000	0.026	0.000	0.000	0.008	0.032	0.352	0.012	0.364
2004	0.197	0.006	0.036	0.000	0.023	0.000	0.000	0.009	0.028	0.299	0.009	0.308
2005	0.158	0.005	0.031	0.000	0.020	0.000	0.000	0.007	0.026	0.247	0.009	0.256
2006	0.119	0.004	0.000	0.000	0.018	0.000	0.000	0.000	0.024	0.165	0.008	0.173
2007	0.047	0.003	0.000	0.000	0.000	0.000	0.000	0.000	0.022	0.072	0.007	0.079
2008	0.023	0.003	0.000	0.000	0.000	0.000	0.000	0.000	0.020	0.046	0.006	0.052
2009	0.022	0.002	0.000	0.000	0.000	0.000	0.000	0.000	0.019	0.043	0.006	0.049
2010	0.020	0.002	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.022	0.005	0.027

Simulated Oil Production
(Millions of barrels/day)

Mid Scenario

	Prudhoe	NGL's	Kuparuk	Milne Point	Endicott	Lisburne	Pt. Thomson	Niakuk	Pt McIntrye	Total ANS	Cook Inlet	Total Alaska
1989	1.475	0.058	0.300	0.000	0.098	0.038	0.000	0.000	0.000	1.969	0.042	2.011
1990	1.337	0.050	0.285	0.022	0.104	0.039	0.000	0.000	0.000	1.837	0.041	1.878
1991	1.216	0.047	0.265	0.031	0.106	0.040	0.000	0.000	0.000	1.705	0.037	1.742
1992	1.106	0.041	0.245	0.031	0.105	0.040	0.000	0.010	0.000	1.578	0.034	1.612
1993	1.038	0.036	0.223	0.029	0.091	0.040	0.035	0.021	0.000	1.513	0.030	1.543
1994	0.978	0.031	0.190	0.025	0.080	0.037	0.054	0.020	0.060	1.475	0.027	1.502
1995	0.902	0.027	0.164	0.021	0.075	0.033	0.053	0.020	0.060	1.355	0.024	1.379
1996	0.779	0.023	0.140	0.018	0.070	0.031	0.053	0.019	0.060	1.193	0.022	1.215
1997	0.656	0.020	0.118	0.015	0.066	0.028	0.053	0.019	0.060	1.035	0.020	1.055
1998	0.557	0.018	0.101	0.013	0.061	0.025	0.053	0.019	0.055	0.902	0.018	0.920
1999	0.475	0.015	0.091	0.000	0.055	0.021	0.054	0.020	0.053	0.784	0.016	0.800
2000	0.405	0.013	0.073	0.000	0.049	0.019	0.042	0.017	0.051	0.669	0.014	0.683
2001	0.345	0.012	0.062	0.000	0.044	0.018	0.037	0.016	0.049	0.583	0.013	0.596
2002	0.286	0.010	0.052	0.000	0.040	0.016	0.032	0.013	0.049	0.498	0.012	0.510
2003	0.239	0.009	0.045	0.000	0.036	0.014	0.028	0.010	0.047	0.428	0.012	0.440
2004	0.208	0.008	0.039	0.000	0.032	0.013	0.025	0.006	0.043	0.374	0.009	0.383
2005	0.181	0.007	0.034	0.000	0.029	0.012	0.021	0.000	0.038	0.322	0.009	0.331
2006	0.157	0.006	0.029	0.000	0.026	0.010	0.019	0.000	0.035	0.282	0.008	0.290
2007	0.136	0.005	0.024	0.000	0.022	0.009	0.017	0.000	0.032	0.245	0.007	0.252
2008	0.119	0.004	0.000	0.000	0.019	0.000	0.014	0.000	0.029	0.185	0.006	0.191
2009	0.104	0.004	0.000	0.000	0.016	0.000	0.011	0.000	0.026	0.161	0.006	0.167
2010	0.091	0.003	0.000	0.000	0.013	0.000	0.000	0.000	0.024	0.131	0.005	0.136

Simulated Oil Production
(Millions of barrels/day)

High Scenario

	Prudhoe	NGL's	Kuparuk	Milne Point	Endicott	Lisburne	West Sak	Pt. Thomson	Seal Island	Niakuk	Pt McIntrye	Total ANS	Cook Inlet	Total Alaska
1989	1.475	0.058	0.300	0.000	0.098	0.038	0.000	0.000	0.000	0.000	0.000	1.969	0.042	2.011
1990	1.394	0.058	0.302	0.024	0.117	0.041	0.000	0.000	0.000	0.000	0.000	1.936	0.041	1.977
1991	1.315	0.061	0.306	0.034	0.125	0.043	0.000	0.000	0.000	0.000	0.000	1.884	0.037	1.921
1992	1.220	0.056	0.296	0.035	0.122	0.043	0.007	0.000	0.000	0.016	0.000	1.795	0.034	1.829
1993	1.132	0.050	0.265	0.035	0.104	0.043	0.008	0.052	0.000	0.027	0.000	1.716	0.030	1.746
1994	1.100	0.048	0.228	0.028	0.093	0.043	0.008	0.086	0.000	0.026	0.140	1.800	0.027	1.827
1995	1.122	0.046	0.204	0.024	0.095	0.043	0.008	0.085	0.080	0.026	0.140	1.873	0.024	1.897
1996	1.030	0.043	0.181	0.020	0.093	0.041	0.026	0.085	0.120	0.026	0.140	1.805	0.022	1.827
1997	0.944	0.039	0.159	0.017	0.091	0.038	0.035	0.085	0.102	0.026	0.140	1.676	0.020	1.696
1998	0.873	0.035	0.142	0.015	0.087	0.034	0.057	0.085	0.087	0.027	0.123	1.565	0.018	1.583
1999	0.761	0.017	0.122	0.013	0.079	0.029	0.062	0.086	0.075	0.029	0.108	1.381	0.016	1.397
2000	0.648	0.016	0.102	0.012	0.071	0.027	0.093	0.076	0.064	0.023	0.095	1.227	0.014	1.241
2001	0.571	0.014	0.089	0.010	0.064	0.024	0.084	0.067	0.054	0.022	0.084	1.083	0.013	1.096
2002	0.503	0.013	0.077	0.000	0.058	0.022	0.103	0.060	0.046	0.020	0.074	0.976	0.012	0.988
2003	0.444	0.012	0.067	0.000	0.053	0.020	0.098	0.052	0.040	0.015	0.065	0.866	0.012	0.878
2004	0.392	0.010	0.059	0.000	0.047	0.019	0.121	0.046	0.034	0.012	0.057	0.797	0.009	0.806
2005	0.346	0.009	0.051	0.000	0.042	0.017	0.118	0.041	0.030	0.008	0.050	0.712	0.009	0.721
2006	0.306	0.008	0.044	0.000	0.036	0.015	0.170	0.036	0.026	0.006	0.044	0.691	0.008	0.699
2007	0.270	0.007	0.039	0.000	0.031	0.013	0.167	0.032	0.023	0.000	0.039	0.621	0.007	0.628
2008	0.238	0.007	0.034	0.000	0.027	0.012	0.166	0.028	0.020	0.000	0.034	0.566	0.006	0.572
2009	0.211	0.006	0.029	0.000	0.021	0.011	0.171	0.023	0.017	0.000	0.030	0.519	0.006	0.525
2010	0.184	0.006	0.026	0.000	0.017	0.010	0.203	0.019	0.015	0.000	0.027	0.507	0.005	0.512

IV. HISTORICAL REVENUES

This section reports on revenues collected in the past. The first table shows General Fund revenues by type from N 1977 - 89, and breaks them into unrestricted and restricted categories. The find table shows petroleum revenues by type from statehood to the present (FY 1959 - 89).

HISTORICAL GENERAL FUND UNRESTRICTED REVENUES
- TAX PORTION -

($ millions)	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
Corporate - General	35.8	33.5	24.8	17.9	34.8	34.8	30.3	39.5	36.0	11.2	20.5	23.4	38.0
Corporate - Petroleum	0.0	0.0	232.6	547.5	860.1	668.9	236.0	265.1	168.6	133.9	120.4	158.0	166.0
Fiduciary	.1	.1	.1	.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Individual	210.4	145.7	117.2	100.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Income	246.3	179.3	374.7	666.0	894.9	703.7	266.3	304.6	204.6	145.1	140.9	181.4	204.0
Alaska Business License	23.2	21.7	28.2	4.2	5.4	5.5	6.9	19.9	38.8	2.1	1.5	1.4	1.0
Fish - Canned Salmon	3.8	5.5	6.7	4.3	5.9	8.6	4.3	5.5	5.6	3.5	0.0	0.0	0.0
Fish - Shore Based	1.9	2.3	3.3	7.6	11.0	8.7	11.5	7.1	8.3	10.1	17.5	13.8	16.1
Fish - Floating	.5	.5	1.9	2.7	3.8	5.5	4.7	6.4	4.8	7.5	9.0	8.7	10.6
Salmon Enhancement	0.0	0.0	0.0	0.0	0.0	2.4	2.6	2.2	2.6	4.3	4.4	5.8	9.5
Seafood Marketing	0.0	0.0	0.0	0.0	0.0	0.0	.9	1.1	1.0	1.1	1.4	2.7	3.3
Insurance Companies	8.1	10.0	10.8	10.4	10.6	12.5	13.8	16.2	17.5	21.1	23.7	23.7	19.4
Other	1.3	1.6	1.9	2.1	1.2	1.4	1.6	2.0	2.1	2.2	2.3	2.4	3.2
Total Gross Receipts	38.8	41.6	52.8	31.3	37.9	44.6	46.3	60.4	80.7	51.9	59.8	58.5	62.1
Gravel, Timber, Etc.	1.0	.8	1.7	1.6	2.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oil & Gas Production	23.7	107.6	173.6	506.2	1169.9	1581.1	1493.0	1392.4	1388.7	1107.4	647.3	816.4	696.4
Oil & Gas Conservation	.1	.1	.2	.3	.3	.6	.7	.7	.7	.5	1.2	2.3	2.4
Total Severance	24.8	108.5	175.5	508.1	1172.9	1581.7	1493.7	1393.1	1389.4	1107.9	648.5	818.7	698.8
Oil & Gas	139.1	173.0	163.4	168.9	143.0	142.7	152.6	131.0	128.4	113.5	102.5	96.2	89.7
Oil & Gas Reserves	270.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vehicle Registration	0.0	.2	.2	.1	.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Property	409.7	173.2	163.6	169.0	143.2	142.7	152.6	131.0	128.4	113.5	102.5	96.2	89.7
Alcoholic Beverages	8.0	7.6	7.4	7.4	8.3	9.0	10.4	13.0	13.9	13.3	12.6	12.1	11.8
Fuel Taxes - Aviation	2.5	3.3	3.4	4.0	4.1	6.3	8.7	8.1	8.0	8.1	8.5	9.0	10.1
Fuel Taxes - Highway	16.7	17.9	16.3	18.9	15.6	20.3	23.7	20.2	23.7	22.7	18.3	19.3	20.0
Fuel Taxes - Marine	1.3	2.1	2.6	3.2	3.5	3.7	4.3	3.9	4.3	5.3	5.4	5.3	7.2
Tobacco Products	1.8	1.7	1.7	1.6	1.7	1.9	2.0	2.0	2.0	4.9	6.6	6.1	6.4
Total Sale/Use	30.3	32.6	31.4	35.1	33.2	41.2	49.1	47.2	51.9	54.3	51.4	51.8	55.5
Estate	.2	.2	.1	.2	.5	.3	.7	.7	.5	.7	1.1	.3	.7
School	2.6	2.4	2.5	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other	2.8	2.6	2.6	2.8	.5	.3	.7	.7	.5	.7	1.1	.3	.7
Total Taxes	752.7	537.8	800.6	1412.3	2282.6	2514.2	2008.7	1937.0	1855.5	1473.4	1004.2	1206.9	1111.8

• NON-TAX PORTION •

($ millions)	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
Business	5.5	6.8	7.5	8.1	9.1	10.8	10.8	10.8	11.9	11.3	10.0	8.6	8.1
Non-Business	10.6	12.3	12.3	10.7	12.2	13.0	14.9	15.9	17.0	18.0	19.2	19.7	20.2
Total Licenses & Permits	16.1	19.1	19.8	18.8	21.3	23.8	25.7	26.7	28.9	29.3	29.2	28.3	28.3
Intergovernmental Receipts													
Federal Shared Revenues	2.5	3.6	4.1	4.8	8.5	21.7	33.3	14.0	10.5	14.5	9.7	6.9	6.1
State Resource Revenue													
Bonus Sales	0.0	0.0	0.0	342.4	7.6	5.0	36.2	10.1	11.5	34.7	.5	5.6	11.4
Investment Earnings	34.8	44.2	59.2	119.9	227.8	324.7	375.8	282.7	233.5	195.2	161.9	132.6	100.7
Rents	3.4	2.3	2.1	3.0	5.4	3.5	4.3	6.0	5.1	6.2	6.0	6.0	5.3
Royalties	34.3	149.6	249.2	688.2	1118.5	1157.3	1078.4	1047.5	1034.0	830.7	439.3	694.8	605.9
Sale of State Property	1.8	1.9	8.4	5.7	4.8	5.2	6.3	7.0	8.5	8.7	7.0	3.8	4.9
Gravel, Timber, etc.	0.0	0.0	0.0	0.0	0.0	1.2	4.0	2.9	3.1	2.9	7.2	1.1	.5
Total Sale/Use	74.3	198.0	318.9	1159.2	1364.1	1496.9	1505.0	1356.2	1295.7	1078.4	621.9	843.9	728.7
Airports	.7	.8	.9	.8	1.1	1.6	1.4	1.5	1.6	1.5	1.5	1.8	1.2
Ferry System—SE	15.4	14.0	17.1	18.7	21.0	25.2	26.4	28.5	29.6	28.5	27.5	26.0	29.3
Ferry System—SW	1.5	1.6	1.8	2.4	3.4	4.0	4.0	3.5	3.8	3.8	3.8	3.8	3.8
Other	2.7	4.0	3.1	4.1	3.7	3.6	5.5	4.3	7.9	5.2	4.1	.7	1.4
Total Facilities Charges	20.3	20.4	22.9	26.0	29.2	34.4	37.3	37.8	42.9	39.0	36.9	32.3	35.7
Court System	3.6	2.8	2.8	2.8	2.9	3.5	4.2	4.1	4.5	5.1	5.3	5.5	6.0
Other	.9	1.7	2.3	2.0	4.1	6.1	5.9	4.8	5.2	4.1	4.8	2.0	1.9
Total Services Charges	4.5	4.5	5.1	4.8	7.0	9.6	10.1	8.9	9.7	9.2	10.1	7.5	7.9
Total State Resource Revenue	99.1	222.9	346.9	1190.0	1400.3	1540.9	1552.4	1402.9	1348.3	1126.6	668.9	883.7	772.3
Miscellaneous Revenue	3.9	3.9	7.2	6.7	5.5	7.8	10.9	9.5	16.8	13.0	16.9	16.1	10.0
Sub-Total Non-Tax Revenue	121.6	249.5	378.0	1220.3	1435.6	1594.2	1622.3	1453.1	1404.5	1183.4	724.7	935.0	816.7
Less: Native Claims		22.4	45.6	131.4									
Plus: Settlements										418.7	70.5	163.9	257.7
Total Non-Tax Revenue	**121.6**	**227.1**	**332.4**	**1088.9**	**1435.6**	**1594.2**	**1622.3**	**1453.1**	**1404.5**	**1602.1**	**795.2**	**1098.9**	**1074.4**
Total Tax Revenue	**752.7**	**537.8**	**800.6**	**1412.3**	**2282.6**	**2514.2**	**2008.7**	**1937.0**	**1855.5**	**1473.4**	**1004.2**	**1206.9**	**1111.8**
Total General Fund Unrestricted Revenue	**874.3**	**764.9**	**1133.0**	**2501.2**	**3718.2**	**4108.4**	**3631.0**	**3390.1**	**3260.0**	**3075.5**	**1799.4**	**2305.8**	**2186.2**

HISTORICAL RESTRICTED REVENUES AND TOTAL GENERAL FUND REVENUES

($ millions)	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
Federal Grants-In-Aid													
Education	26.7	27.3	27.8	30.7	33.0	25.7	33.8	44.8	76.2	42.0	78.0	54.2	73.3
Social Services	48.9	57.7	57.8	60.0	68.7	60.4	80.7	91.2	100.7	125.2	156.4	154.2	167.4
Health	3.0	15.6	15.4	21.4	26.5	27.1	11.9	10.0	12.5	3.2	3.6	3.4	3.9
Natural Resources	5.4	7.9	10.1	6.5	8.3	12.4	15.0	14.2	18.1	17.9	27.8	28.4	30.0
Public Protection/Admin. of Justice	5.7	7.1	8.4	7.4	7.1	5.5	5.7	6.6	7.5	7.7	15.0	10.3	12.4
Development/Gen. Government	2.7	1.4	2.3	2.8	7.9	4.9	8.6	8.1	6.6	9.3	5.0	7.6	7.8
Transportation	119.1	121.6	84.6	69.5	39.9	22.5	11.0	67.7	110.9	88.5	169.8	185.3	195.8
Total	211.5	238.6	206.4	198.3	191.4	158.5	166.7	242.6	332.5	293.8	455.6	443.4	490.6
Other Grants-In-Aid													
Education	.8	.3	.5	1.6	.8	.9	1.0	1.1	1.3	1.4	1.3	2.0	2.3
Health/Social Services	1.5	2.6	1.2	.5	.2	.3	.4	.4	3.8	4.3	8.5	9.1	6.5
Natural Resources	2.1	1.4	1.2	.6	2.4	1.4	1.0	.9	.9	1.4	2.3	6.0	6.2
Public Protection/Admin. of Justice	.4	1.7	1.9	1.8	1.9	1.9	2.4	3.1	.9	2.0	5.7	5.1	5.3
Development/Gen. Government	.9	1.3	1.6	4.1	2.6	3.3	5.3	15.6	6.5	3.6	3.8	5.2	14.0
Transportation	1.8	1.0	1.1	1.0	1.6	2.5	.9	1.2	3.5	.8	1.1	.7	1.0
Total	7.5	8.3	7.5	9.6	9.5	10.3	11.0	22.3	16.9	13.5	22.7	28.1	35.3
Miscellaneous Restricted Revenue	3.1	.9	3.2	5.7	8.1	7.0	15.7	9.8	16.9	16.4	15.8	3.7	20.8
Total Restricted Revenue	**222.1**	**247.8**	**217.1**	**213.6**	**209.0**	**175.8**	**193.4**	**274.7**	**366.3**	**323.7**	**494.1**	**475.2**	**546.7**
Total Unrestricted Revenue	**8743**	**764.9**	**1133.0**	**2501.2**	**3718.2**	**4108.4**	**3631.0**	**3390.1**	**3260.0**	**3075.5**	**1799.4**	**2305.8**	**2186.2**
Total General Fund Revenue	**1096.4**	**1012.7**	**1350.1**	**2714.8**	**3927.2**	**4284.2**	**3824.4**	**3664.8**	**3626.3**	**3399.2**	**2293.5**	**2781.0**	**2732.9**

Source: Department of Revenue, Revenue Sources FY 1977 - FY 1989. Updated November 1989.

HISTORICAL PETROLEUM REVENUES
(Millions of Dollars)

FY	Corporate Non-Petroleum	Corporate Petroleum	Oil/Gas Severance Tax	Property Tax	Reserve Tax	Fed. Min. Rents & Royalties (1)	Bonus Sales	Rents (1)	Royalties (1)	Oil/Gas Special Settlements	Total Petroleum Revenues	Total G.F. Unrestricted Revenues	% of Total Unrestricted
59	1.4					3.1					3.1	25.4	12
60	1.7					5.8	4.0	.1			9.9	48.0	21
61	1.4					2.4	1.6	.2			4.2	40.5	10
62	1.8		.2			4.5	20.3	1.0			26.0	68.9	38
63	2.2		.3			8.6	17.9	1.0			27.8	71.6	39
64	1.8		.3			8.7	4.7	1.2			14.9	67.0	22
65	1.9		.3			8.3	5.9	1.9	.1		16.5	83.0	20
66	4.1		.3			7.7	10.8	2.5	.3		21.6	86.5	25
67	3.5		.5			7.7	8.6	2.8	1.9		21.5	86.6	25
68	3.8	.1	1.2			7.5	21.8	2.9	9.5		43.0	112.7	38
69	4.2	.1	5.6			7.8	.8	3.3	16.9		34.5	112.4	31
70	4.9	.4	7.9			8.2	900.0	3.1	19.3		938.9	1067.3	88
71	5.2	.9	10.5			8.6	.2	2.9	23.9		47.0	220.4	21
72	5.3	1.2	11.4			7.9	.3	3.0	24.6		48.4	219.2	22
73	5.9	.9	12.0			6.7	3.8	3.4	23.5		50.3	208.2	24
74	7.0	1.2	14.8			7.1	24.8	3.6	28.7		80.2	254.9	31
75	14.8	2.5	26.6	6.6		9.8	1.0	3.9	40.0		90.4	333.4	27
76	26.2	4.9	28.0	83.4	223.1	5.1		3.7	43.3		391.5	709.8	55
77	30.8	5.0	23.8	139.1	270.6	2.0*		2.8*	34.3*		477.6*	874.3	55
78	25.1	8.4	107.7	173.0		1.0*		1.8*	149.6*		441.5*	764.9	58
79	24.8	232.6	173.8	163.4		1.0*		1.6*	249.2*		821.6*	1133.0	73
80	17.9	547.5	506.5	168.9		1.2*	342.4*	1.8*	688.2*		2256.5*	2501.2	90
81	34.8	860.1	1170.2	143.0		1.2*	7.6*	3.7*	1118.5*		3304.3*	3718.2	89
82	34.8	668.9	1581.7	142.7		17.1*	5.0*	2.1*	1157.3*		3574.8*	4108.4	87
83	30.1	236.0	1493.7	152.6		27.2*	36.2*	2.5*	1078.4*		3026.6*	3631.0	83
84	39.5	265.1	1393.1	131.0		11.0*	10.1*	3.8*	1047.5*		2861.6*	3390.1	84
85	36.0	168.6	1389.4	128.4		8.2*	11.5*	3.4*	1034.0*		2743.5*	3260.0	84
86	11.2	133.9	1108.4	113.5		14.3*	34.7*	4.2*	830.7*	418.2*	2657.9*	3075.5	86
87	20.5	120.4	648.5	102.5		9.0*	.5*	3.8*	439.3*	70.5*	1394.5*	1799.4	77
88	23.4	158.0	818.7	96.2		6.7*	5.6*	5.7*	694.8*	163.9*	1949.6*	2305.8	85
89	38.0	166.0	698.8	89.7		5.6*	11.4*	5.3*	605.9*	257.7*	1840.4*	2186.2	84

* Net of Permanent Fund contribution.

(1) These categories are primarily composed of oil/gas revenues; however, includes some additional revenues from other minerals (mostly coal).

In accordance with 37.07.060(b)(4), Revenue Sources is compiled annually to assist the Governor in formulating a proposed comprehensive financial plan for presentation to the State Legislature. Since fiscal year (FY) 1975, responsibility for compiling and publishing this summary of State Revenues has come under the Department of Revenue's jurisdiction. Within the publication are shown prior year actuals, revised current year estimates, and upcoming year projections.

Anticipated State income is projected through the use of a number of data sources: 1) econometric models developed by the Department of Revenue to forecast unrestricted non-petroleum revenues, 2) a petroleum revenue model created by the Department's Oil and Gas Audit Division, and 3) estimates from individual State agencies.

The Department of Revenue thanks the various State agencies for their cooperation in computing anticipated revenues for publication in this document.