



Governor Walker's Statement on PFD Lawsuit

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“As most Alaskans realize, and as stated by the legislature’s own financial advisor, our state is in the midst of the gravest financial crisis in our history. We are in a \$3.2 billion deficit now.

It is truly unfortunate that our legislature failed to pass a sustainable fiscal plan, like the one we submitted this past year, to protect and grow the permanent fund dividend program. Instead, this continued lack of action will result in the elimination of the PFD program in just a few years.

This year’s PFD is close to the historical average paid to every eligible Alaskan since 1982. It was set at a level that could be sustained as part of a larger fiscal solution—to ensure a PFD program continues for generations to come. The amount that was vetoed remains in the Permanent Fund reserve/savings account for future distributions.

I’m disappointed that an incumbent legislator who failed to work towards a solution to our fiscal crisis—a solution that would protect the long-term viability of the PFD—has decided instead to pursue this lawsuit eight weeks prior to his re-election bid. This suit detracts from the real issue: solving Alaska’s fiscal crisis so we can then begin to grow Alaska.

Today, a former legislator compared our current situation to that in the 1990s. That’s misleading. In the 1990s, we had approximately 2 million barrels of oil a day going through the Trans Alaska Pipeline System (TAPS). Today, the TAPS throughput is about a half-million barrels a day. That’s a huge difference in the potential for an economic rebound. In the 1990s, we were not facing a \$3.2 billion deficit and drawing down on our savings at a rate of \$12 million a day. Relying on a 1990s-type rebound is very, very risky.

I therefore stand by my difficult but necessary decision—prompted by the legislature’s failure to pass a fiscal plan—to veto part of this year’s dividend appropriation to preserve our PFD program and other financial resources for this and all future generations of Alaskans.” – Governor Bill Walker