

United States Senate

August 22, 2025

Dear Mark,

H.R. 1, the One Big Beautiful Bill Act (OBBBA) is one of the most comprehensive, positive pieces of legislation for Alaska signed into law in decades. Nevertheless, there have been over one million dollars' worth of ads in Alaska run by far-left dark money groups that have inaccurately described this bill.

This letter is focused on setting the record straight with the facts about what is actually in the bill. Because the OBBBA covers many areas, with Alaskans writing me about different elements of the bill, this letter is long but broken into different sections to enable Alaskans to focus on the areas that matter most to them.

Thank you for your leadership in our communities on areas of mutual interest. If you have any questions about the specifics of the legislation, please contact me or my staff at 202-224-3004 or visit my website here (sullivan.senate.gov/obbb) for more information about the OBBBA.

Sincerely,

Dan Sullivan
United States Senator

Thanks Mark!

United States Senate

August 1, 2025

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HISTORIC BENEFITS FOR ALASKA:

This bill includes key provisions to:

- Unleash Alaska's extraordinary resource potential to grow our economy and create good-paying jobs;
- Deliver tax relief for hard-working families and small businesses;
- Make the largest investment for the U.S. Coast Guard in history;
- Secure the southern border and halt the flow of deadly fentanyl;
- Continue the build-up of Alaska-based military;
- Upgrade America and Alaska's aviation safety;
- Strengthen Alaska's health care and nutrition programs;
- Protect Alaska's most vulnerable communities; and
- Achieve historic savings for future generations.

I. Introduction and General Summary

On May 22, 2025, the U.S. House of Representatives passed H.R.1, the One Big Beautiful Bill Act (OBBBA). The Senate then substantially amended this bill with numerous provisions to benefit Alaska.

On July 1, 2025, I voted with my Senate colleagues to pass the amended Senate version of H.R. 1. The House then passed this version of the OBBBA, and it was signed into law on July 4, 2025. This transformative legislation is the product of months of relentless, focused work on behalf of Alaskans. It delivers historic wins for our state, some of which I have been working on for years. These wins include provisions to unleash Alaska's extraordinary resource economy and jobs, deliver tax relief for hard-working families and small businesses, make the largest investment in history for the U.S. Coast Guard, secure the southern border and halt the flow of deadly fentanyl, continue the build-up of Alaska-based military, upgrade Alaska's aviation safety system, strengthen Alaska's health care and nutrition programs, protect Alaska's most vulnerable communities, and achieve historic savings for future generations.

I think it is safe to say, no state fared better from this bill than Alaska. I fought to ensure that Alaska's priorities weren't just included in this bill, they were prioritized. An overriding focus of mine in shaping this legislation was ensuring it focuses on unleashing Alaska's private sector economy for the benefit of our hard-working families and more job creation. The OBBBA works in concert with President Trump's Day One, Alaska-specific executive order to unleash Alaska's world-class natural resource economy. The bill mandates federal agencies unlock ANWR, NPR-A, and Cook Inlet for responsible resource development. These provisions are focused on creating good-paying jobs, generating billions of dollars in new revenues for the state, and putting Alaskans back in the driver's seat of our economic future. Importantly, the historic resource development provisions cement regular lease sales into law for Alaska to guard against attempts by future Democratic administrations and Senate leaders to use regulatory powers to lock up our state, kill good-paying jobs, and shut down our economy, as was done with President

Biden's 70 executive orders and actions targeting Alaska, what I called the "[Last Frontier Lock-Up](#)."

A second overriding focus of mine in shaping this legislation was ensuring it benefits Alaska's working families. On that front, this bill is a homerun. We prevented the largest tax hike in history—more than \$4 trillion—by extending the 2017 tax cuts for working families, which were set to expire later this year. The OBBBA locks in permanent, lower tax rates, an enhanced Child Tax Credit for millions of families, an increased standard deduction used by over 90 percent of taxpayers, a small business deduction that drives job creation and local economic growth, and an enhanced Child and Dependent Care Tax Credit which incorporates language from a standalone bill I cosponsored, in addition to other deductions that will help Alaskans keep more of what they earn. The White House Council of Economic Advisors predicts that the OBBBA will increase take home pay for an average family of four by over \$7,000.

As Chairman of the Commerce Subcommittee overseeing the U.S. Coast Guard, I also fought to secure the largest investment in Coast Guard history—nearly \$25 billion, which includes funding for more than 16 new icebreakers and \$300 million to homeport the Coast Guard icebreaker *Storis* in Juneau. The bill also significantly bolsters Department of Defense investments to make our country safer. This includes a down payment for the Golden Dome initiative, in which we are building the next generation of homeland missile defense—new interceptors, sensors, and radar systems to protect the entire country, with the cornerstone of this vital system continuing to reside in Alaska. The OBBBA also focuses on redeveloping existing Arctic infrastructure, like the strategically located Adak Naval Base in the Aleutian Islands.

With this bill, we are also securing our southern border with the most robust enforcement package in a generation—\$46 billion for the wall, billions more for Border Patrol and law enforcement, and significant resources to crack down on the flow of deadly fentanyl into Alaska, which has devastated Alaska's youth.

Contrary to inaccurate fear mongering from critics and dark money far-left ads, this bill does not cut Medicare or Medicaid funding for Alaska. To the contrary, I was able to secure significant funding—I am confident it will exceed \$250 million per year for five years—to modernize Alaska's health system, stabilize our rural providers, improve patient outcomes, keep standalone hospitals open, and empower state leaders to maintain coverage for vulnerable Alaskans. The bill also includes commonsense work and volunteer requirements for these benefits, ensuring able-bodied Americans utilizing these programs are contributing to our economy, and shoring up the social safety net program for those it was intended to support—struggling single parents, pregnant women, children and individuals with disabilities or mental health challenges. At the same time, Alaska faces challenges that no other states have, which is why we secured flexibility for our state government to implement the new Medicaid and Supplemental Nutrition Assistance Program (SNAP) work and volunteer requirements, giving the state additional time to address program challenges without hurting Alaskans who rely on these benefits.

Finally, this legislation addresses our national debt of over \$36 trillion, which has reached dangerous, unsustainable levels. This level of debt drives high inflation and high interest rates, top concerns of Alaskan families. The OBBBA represents one of the largest spending reductions

in history—\$1.6 trillion over ten years, and it accomplishes these savings principally by eliminating waste, fraud, and abuse, but not by cutting essential services for Alaskans.

II. Growing Alaska's Economy and Good-Paying Jobs Through Historic Legislation to Unleash Alaska's Extraordinary Natural Resources

As Alaska's former Commissioner of the Department of Natural Resources (DNR), I have focused for years on the opportunities we have to unleash Alaska's vast wealth of natural resources to create sustainable, private sector economic growth and good-paying jobs. The Tax Cuts and Jobs Act of 2017 (TCJA) opened up the Coastal Plain of the Arctic National Wildlife Refuge (ANWR) to oil and gas leasing, but the Biden administration spent four years trying to illegally thwart this law.

This bill dramatically builds on the 2017 Tax Cuts and Jobs Act by mandating regular lease sales, not only in ANWR, again, but also in the National Petroleum Reserve of Alaska (NPR-A) and Cook Inlet. This is important to prevent future Democratic administrations from trying to shut down these Alaska resources development sectors of our economy through executive actions, like the Biden and Obama administrations both did.

These statutory provisions, combined with the Trump Administration's Day One executive order, "[Unleashing Alaska's Extraordinary Resource Potential](#)," present a historic opportunity for our state to bolster our resource development economy, create thousands of good-paying jobs that go with it, while dramatically increasing revenues for the State of Alaska with a new, historic revenue split, providing the State of Alaska 70 percent of the revenues from federal leases. Importantly, these provisions also provide the long-term regulatory certainty that is needed for resource development projects on the North Slope of Alaska.

By expanding leasing opportunities on Alaska's federally managed lands and restoring practical permitting timelines, the OBBBA will promote economic growth, create good-paying jobs, and strengthen the nation's energy security. The energy development provisions in this bill firmly unleash Alaska's unrealized potential and validate our state as the crown jewel of America's energy resources, critical to achieving our nation's long-held goal of energy independence.

A. Revitalizing Energy Development and Job Creation in Critical Areas: ANWR, NPR-A, and Cook Inlet

For ANWR, a key provision of the OBBBA requires the Bureau of Land Management (BLM) to build upon the law Congress passed in 2017 and conduct at least four additional area-wide lease sales in the Coastal Plain over the next decade, the first beginning no later than next July. The bill requires BLM to target areas rich in hydrocarbons and offer a minimum of 400,000 acres per sale with lease terms set out during the first Trump Administration's August 2020 Record of Decision. This enshrines in law that future leases will not be conducted under the highly restrictive Biden Administration's 2024 Record of Decision that limited activity to a quarter of the 1.57 million acre Coastal Plain for leasing and development and further restricted seismic testing to just 400,000 acres, preventing future study and characterization of the resource—in direct contravention of the desires of the leadership in the Native Village of Kaktovik, the only community within ANWR.

Similarly, the bill unleashes NPR-A—home to one of the most prolific oil basins in the world, and a region specifically designated by law for petroleum development—by directing the Secretary of the Interior to expeditiously restore and resume lease sales in the region, which had been severely and illegally limited by the Biden Administration. These OBBBA provisions require at least five lease sales within the next ten years, each covering a minimum of 4 million acres, the first of which is required no later than next July and subsequently every two years thereafter. By law, these lease sales will be conducted under the terms of the Trump Administration’s 2020 Integrated Activity Plan (IAP) which opens 18.6 million acres (82 percent of the subsurface estate) to leasing activity. The Biden Administration had attempted to illegally close off nearly half of the entire NPR-A to oil and gas activity through regulation, ignoring the law and the strong support from elected North Slope leaders supportive of increased development. The OBBBA ends the Biden-era lock-up of the NPR-A, which will dramatically benefit our state, especially the communities on the North Slope.

In Cook Inlet, the OBBBA implements a robust offshore leasing program, directing a minimum of six lease sales over the next ten years, with at least one million acres offered per sale. These lease sales will occur annually from 2026 to 2028, and from 2030 to 2032, allowing for continuous regional energy development. The bill also directs quarterly onshore oil and gas lease sales in Alaska over the next decade. For both these offshore and onshore lease sales, the bill also reinstates a lower royalty rate between 12.5 percent and 16.67 percent, reversing President Biden’s Cook Inlet tax hike made under the Inflation Reduction Act (IRA) of 2022 that was intended to discourage development interest. These lower royalty rates, taken together with the lease sales, will revitalize interest in the historically critical Cook Inlet basin and open new lands to economic development.

All of these ANWR, NPR-A, and Cook Inlet mandatory, statutory lease provisions will be subject to future mandatory revenue splits between the state and the federal government that dramatically increase the state’s share of revenues. This is a huge win for Alaska, answering calls from state legislators and policymakers for years to increase Alaska’s share of revenues from oil and gas development on federal lands. Starting in 2034 for the ANWR Coastal Plain, Cook Inlet, and on newly issued leases in the NPR-A, 70 percent of revenues will be directed to the State of Alaska, a dramatic increase from the existing 50 percent state share for ANWR and the NPR-A and the 27 percent state share for the Cook Inlet OCS leases. These increased state revenues will benefit local communities and help fund essential public services provided by Alaska’s state government.

B. Fast-Tracking Project Permitting and the Elimination of Biden-Era Restrictions

Being good stewards of our environment is a hallmark of what it means to be Alaskan. Alaskans have long demonstrated that responsibly developing our resources and preserving our beautiful environment are not mutually exclusive goals. Unfortunately, for decades, our state has languished under the costly, needless delays of our broken federal permitting process—delays that don’t help our environment and chill investment in the large projects we need to achieve economic growth. As a member of the Senate Environment and Public Works (EPW) Committee, I have long advocated for comprehensive National Environmental Policy Act (NEPA) permitting reform, a worthy bipartisan goal necessary to get more projects online in a timely manner. In the OBBBA, I championed an amendment to NEPA to add an optional “fast-track” mechanism that will allow resource development project sponsors to pay a fee to expedite

environmental reviews, ensuring worthy projects receive accelerated consideration and sponsors have certainty in timelines.

This provision, which has enormous potential for our state to bring large-scale Alaska economic projects online in a more timely manner, is similar to the successful Office of Project Management and Permitting (OPMP) that I promoted during my time as DNR Commissioner, where developers can contract with DNR to assist in coordinating permits and approvals across different agencies in a timely manner.

The OBBBA also places a 10-year moratorium on the Methane Tax, a duplicative fee that punishes small producers already regulated under the Environmental Protection Agency (EPA) and state agencies.

C. Increasing Timber Production

The OBBBA mandates timber sales from National Forests and public lands, with a requirement for a 250 million board feet year-over-year increase for National Forests and a 20 million board-feet increase for public lands. This section increases timber harvests and long-term contracts in National Forests and public lands, which has the significant potential to enhance economic development and job opportunities in Alaska's National Forests, including the Tongass and Chugach.

During my time as the DNR Commissioner, I oversaw the management of Alaska's State Forests and recognized that proper forest management is essential to maintaining healthy and vibrant forests. However, detrimental federal policies to Alaska's forestry sector, exemplified by the 2001 federal "Roadless Rule," have turned the Tongass National Forest into a de facto National Park. Despite the 2016 Tongass National Forest Land and Resource Management Plan, which provided for an allowable sale quantity of 46 thousand board-feet, recent years have seen the U.S. Forest Service put out less than a tenth of that, devastating our hard-working Southeast forestry operators, and diminishing revenues that support local schools.

Combined with the Trump Administration's Day One executive order on Alaska, the forestry timber sales provisions of the OBBBA have the significant potential to increase timber harvests in our National Forests, create good-paying jobs, and support local economies and schools.

D. Financing Energy Dominance and the Alaska LNG Project

The OBBBA also creates new opportunities to build the infrastructure that will ensure America remains an energy powerhouse by establishing a new Energy Dominance Financing Program at the U.S. Department of Energy. The Energy Dominance Financing Program will support reliable energy projects that strengthen capacity of baseload energy. I believe this new provision will provide another tool to accelerate development of the Alaska LNG project.

This program, combined with the Alaska Natural Gas Pipeline federal loan guarantees secured and renewed by me and my fellow Alaska congressional delegation colleagues in the 2021 Infrastructure Investment and Jobs Act, have the potential to be critical policy tools to realize the 50-year vision of building a gasline from the North Slope. The "big beautiful twin" to the Trans-Alaska Pipeline, as President Trump's Secretary of Energy Chris Wright called it when I recently hosted him at Pump Station 1 on the North Slope, will not only create thousands of new jobs and

provide reliable and affordable natural gas to Alaskans, but it will also be a secure source of energy for America's allies around the world.

E. Advancing All-of-the-Above Energy and the Development of Critical Minerals

I have always been a champion of an all-of-the-above approach to energy in Alaska, recognizing that the lowest cost and most reliable energy is not always oil and gas, particularly in our rural communities. The OBBBA prioritizes investment and production energy tax credits toward baseload power generation sources like nuclear, hydrogen fuel cells, geothermal, and—importantly for Alaska—hydropower, the state's largest source of renewable energy, which will continue to qualify for energy tax credits until 2036. For wind and solar technology, I worked to amend the House version of H.R. 1 to ensure that there was a longer, measured phase-out to investment and production tax credits, providing a timeline of 12 months for wind and solar companies to start construction of their projects or be placed into service by 2028 in order to still qualify for existing tax credits. Furthermore, we prevented these tax credits from going to our international adversaries with reasonable rules on ownership and use of foreign components.

America's reliance on foreign sources of critical minerals has long been a strategic vulnerability to our national security. The weaponization of critical minerals from China through export controls of minerals like antimony, germanium, and graphite have only highlighted the urgency of sourcing these minerals from responsible mining operations in Alaska. To help spur that development, I fought to add \$5 billion in the OBBBA to the Industrial Base Fund for investments in critical minerals supply chains—\$2 billion to improve the U.S. critical minerals stockpile, and \$3.3 billion in grants through the Industrial Base Fund to address operational needs, expand industrial capacity, and support critical mineral supply chains. These investments will reduce our reliance on adversaries like China and help build up domestic sources of critical minerals, including in Alaska, that are critical to our nation's economic and natural security.

III. Delivering Tax Relief for Hard-Working Families and Small Businesses

In 2017, I voted for the Tax Cuts and Jobs Act (TCJA), which reduced taxes for families, small businesses, and corporations. It created a 20 percent small business deduction and lowered the U.S. corporate tax rate from 35 percent, one of the highest in the world, to 21 percent, bringing us in line with most developed countries. By lowering tax rates for small businesses and families, simplifying tax filings, and broadening the tax base, the TCJA unleashed the American economy, causing unemployment to fall to a 50-year low and returning our nation's Gross Domestic Product (GDP) to a strong 3 percent growth rate. Pro-growth tax policies are also the best way to tackle our out-of-control debt and protect critical social safety net programs. Since the TCJA's enactment, federal revenue increased from \$3.4 trillion per year to \$5.1 trillion.

As Alaska's U.S. Senator, I have always fought to ensure hard-working Alaskans are able to keep more of their paycheck, and our small businesses are able to grow and hire more workers. The OBBBA preserves and builds on the historic tax relief delivered for Alaskans in the 2017 TCJA and provides new relief for our workers and small businesses.

Many provisions of the TCJA were set to expire at the end of 2025. The OBBBA permanently extends these lower tax rates so that American and Alaskan families don't face a devastating and

unfair tax increase of over \$4.5 trillion, the largest tax increase ever. Specifically, the OBBBA prevents an average \$2,380 tax hike on every Alaskan and a 25 percent tax increase on over 58,000 of Alaska's small businesses, which constitute 99.1 percent of businesses in our state, by extending and making permanent the TCJA tax cuts.

A. Growing Alaska's Economy

1. Providing Tax Relief for Middle Class Families and Workers

I have long championed efforts to grow our economy through meaningful tax relief and by creating more job opportunities for Alaskans. The OBBBA includes several key provisions aimed at preventing middle class tax hikes that would have begun at the end of this year. It continues and builds upon the tax relief established by the TCJA, with the primary goal of delivering lasting tax benefits for middle class families and workers. The bill makes permanent the lower tax rates introduced by the TCJA and expands the size of the lowest tax brackets, effectively lowering marginal tax rates across the board, especially for working families. The OBBBA also permanently doubles the standard deduction and adds an additional 2 percent deduction on top of that. This expanded deduction will reduce taxable income for all who utilize the standard deduction, which are primarily low-income to middle income households. These reforms represent a strong commitment to protecting take-home pay, supporting working family budgets, and keeping more money in the pockets of hard-working Alaskans.

This bill also permanently expands the Child Tax Credit. Under this provision, the credit will increase from \$1,000 to \$2,200 per child, and more of that \$2,200 would be refundable. This enhanced credit and the standard deduction both provide meaningful support for hard-working families. This relief helps Alaskans manage the costs of raising children while boosting household financial security. Collectively, these reforms aim to ensure that middle class Americans can keep more of their earnings, support small businesses, and achieve long-term economic success.

2. Strengthening Working-Class Tax Relief through New Tax Programs

The OBBBA codifies many of President Trump's policy priorities and campaign commitments to deliver additional tax relief to hard-working Americans through important measures like no taxes on tips, no taxes on overtime, and auto loan tax deductions.

The OBBBA provides a \$25,000 deduction in tips from an individual's taxable income. It provides a \$12,500 deduction for overtime compensation, which will be especially beneficial to many hard-working Alaskans who work in our service industries and law enforcement. It also provides a \$10,000 tax deduction for interest that households pay on auto loans for American-made vehicles. These particular tax provisions will reduce the taxable income for many working American households, particularly those who make up the foundation of our nation's workforce. Based in part on these innovative policies that target working and middle class families, the White House Council of Economic Advisors estimates that the OBBBA will increase take home pay for an average family of four by over \$7,000 per year.

The OBBBA also includes a forward-looking measure that creates tax-deferred investment accounts for every newborn American, which will be seeded with a one-time \$1,000 federal contribution. Similar to 529 education savings plans, the funds could grow over time through compounded interest, build greater financial security for every American from birth, and promote generational wealth-building.

3. Expanding Tax Credits for Paid Family and Medical Leave

The OBBBA expands tax credits for hard-working families by making the paid family and medical leave (PFML) tax credit both permanent and more accessible, helping families balance the demands of employment and caregiving. It also expands the employer-provided child care credit to increase America's childcare infrastructure. For families, particularly in a state like Alaska where access to health services and support networks are often limited in rural areas, these expanded credits encourage businesses to provide support and help give greater financial security while managing caregiving responsibilities.

4. Curbing Excessive Executive Pay and Restoring Fiscal Fairness

Despite inaccurate claims to the contrary, the One Big Beautiful Bill Act takes direct aim at corporate excess—specifically, the inflated compensation packages awarded to many top executives. Under this legislation, the Excess Employee Compensation Excise Tax is expanded to apply to corporations that pay more than \$1 million annually to individual members of their leadership teams and will help discourage huge corporate salaries for highly-paid corporate CEOs when the average everyday worker makes less than a fraction of their income. By expanding this tax, we focus on charting a path toward fiscal responsibility for our country and paying down our national debt to benefit future generations of Americans.

Far-left Democratic dark money groups have been relentlessly running ads stating falsely that, if enacted, the OBBBA will provide significant tax cuts to multimillionaires and billionaires. This is inaccurate. With the passage of the OBBBA, such individuals will be taxed at the same rate that they were taxed prior to the enactment of the OBBBA. The bill did not change the tax rate for these wealthy Americans.

Ironically, there was an amendment to the OBBBA that would have actually increased the tax rate on the incomes of multimillionaires and billionaires, but Senate Democrats voted it down. During the debate on the bill, Senator Susan Collins of Maine offered an amendment to raise the top tax bracket from 37% to 39.6% for those making over \$25 million, in order to provide additional revenues to fund rural hospitals and health care. This would have done exactly the opposite of what the far-left ads in Alaska have falsely claimed about what the OBBBA does regarding taxes on the wealthy and health care. I voted for this Collins amendment, but almost every Democratic Senator, including Minority Leader Chuck Schumer, voted against it, ensuring its failure.

5. Removing Taxes on Firearms

Alaskans understand the importance of our 2nd Amendment rights and gun ownership. For any Alaskan who carries a weapon for hunting or self-defense, the costs and complications of

purchasing a new firearm can be onerous. That's why I co-sponsored an effort to remove certain firearm taxes in the 119th Congress and am glad to let you know that my work has paid off. The OBBBA removes the tax on firearm manufacturing and firearm purchasing. Now, certain firearms and silencers will be \$200 less expensive to the consumer. Alaskans know that firearm ownership is a necessary part of life in our state. I'm glad to have been able to make this part of Alaskan life easier and more affordable for many.

B. Delivering Tax Relief to Alaska and Rural Communities

1. Investing in Community Development and Economic Opportunity

The OBBBA makes several key economic development tools permanent, including Opportunity Zones and the Low-Income Housing Tax Credit (LIHTC), of which I have been a strong supporter over the years. Opportunity Zones encourage investment in 25 different areas of the country, including parts of rural Alaska and Anchorage, by giving significant tax incentives to those who help, support, and invest in these important, but often overlooked communities. The Low-Income Housing Tax Credit, which is both made permanent and expanded in this bill, will now allow for more residential housing projects to be built in Alaska, helping to address our state's severe housing shortage in urban and rural communities. Together, these programs have the potential to drive a significant amount of private investment into underserved communities and are structured to provide an even greater impact in rural areas.

2. Driving Permanent Investment in Small Businesses and Rural America

Small businesses are not merely a part of Alaska's economy—they form its foundation. An extraordinary 99.1 percent of all businesses in Alaska are small businesses, emphasizing their central role in driving employment, economic development, and community stability. I have consistently supported policies that strengthen Alaska's small business sector, recognizing its essential contribution to the prosperity of every Alaskan.

The OBBBA takes critical steps to ensure the continued success of small businesses by permanently extending and expanding the small business deduction, which is essential for Alaska's small businesses. Without this deduction, nearly 59,000 Alaskan small business owners would face higher tax burdens, making it harder to hire workers, expand operations, and reinvest in their communities. By preserving and strengthening this deduction, this legislation ensures that Alaska's small businesses can continue to thrive, grow, and support the hard-working Alaskans who depend on them.

The OBBBA also expands the Qualified Small Business Stock (QSBS) exclusion and prevents hard-working small business owners from being unfairly taxed on both their income and assets. Business owners are encouraged to earn more, create jobs, and contribute to economic stability—particularly important in states, like ours, that face geographic and logistical challenges.

Finally, many Alaska small businesses know that purchasing equipment and machinery is one of the biggest start-up costs for a new venture. These costs frequently occur before they have any sales to pay for them, and when they are short on cash. The OBBBA addresses this problem by

permanently allowing for full capital depreciation of these assets in the first year they're in use, freeing up cash flow and encouraging investment and job growth for Alaska's small businesses.

3. Advancing Alaska's Maritime Industry

As Chairman of the Coast Guard, Maritime and Fisheries Subcommittee of the U.S. Senate Commerce Committee, I fight every day to help improve the lives of our fishermen and our coastal communities that support them. Currently, business meals are only partially deductible for employers providing food or beverages to crew members on commercial vessels. The OBBBA includes a targeted provision allowing full business meal deductions on fishing vessels and at fish processing facilities—an important benefit for the maritime and seafood processing communities that support Alaska's maritime economy. Fishing is not only a cornerstone of Alaska's culture, but also one of our largest economic drivers, providing vital jobs and generating significant revenue in our coastal communities. By easing operational costs for fishermen and seafood processors, this deduction will enable companies in the maritime business to reinvest in their workforce, improve working conditions, and strengthen their long-term sustainability.

Additionally, the OBBBA includes measures to reduce mortgage rates on seafood processing and aquaculture facilities by up to 5 percent through a tax reduction on mortgage interest. This reduction will provide immediate economic support to businesses within these sectors, which often face high operating costs due to the nature of their facilities and equipment. The bill also allows immediate expensing of business property investments and certain seafood facilities so that businesses can more easily manage their capital investments and improve operational efficiency. These provisions support long-term growth and stability for small businesses essential to Alaska's economy.

4. Supporting Alaska Native Villages and Cultural Traditions

The Community Development Quota (CDQ) program was created by the North Pacific Fishery Management Council in 1992 to provide eligible Western Alaska communities an opportunity to participate in the Bering Sea and Aleutian Islands fisheries, which had formerly been too costly for them to enter.

There are six CDQ groups consisting of eligible Western Alaska communities located within 50 nautical miles of the Bering Sea coast, stretching from the Bering Strait region down to the Aleutian Islands. The primary purpose of CDQ groups is to support economic development by using profits from their fisheries investments to reduce poverty and provide sustainable economic and social benefits to their residents, many of whom live in poverty. As a result, the CDQ groups are non-profit entities.

Since its establishment, the revenue generated by CDQ groups has gone towards creating jobs; maintaining and building infrastructure, such as harbors, docks, and housing; providing training and scholarships to support workforce development; supporting collaborative community investments in public safety and public works; and fostering participation in fisheries by providing fishing gear and equipment. The OBBBA clarifies that any CDQ fisheries-related business activities—including the harvesting, processing, transportation, sales, and marketing of

fish and fish products—are tax exempt. This provision will ensure that CDQ revenues will provide the maximum benefit for the 65 communities and thousands of Alaskans that the CDQ program was created to benefit, particularly in terms of helping with poverty reduction in those important regions of our state.

Subsistence whaling is a way-of-life and core cultural tradition for the Iñupiat people of Alaska's Northwest and Northern coasts. A successful whale hunt is a great gift by our whaling captains, who share the bounty of the whale with their entire communities. It is analogous to donating to a food bank, but for many years was not recognized as a charitable contribution. In 2004, the late Senator Ted Stevens successfully amended the tax code to define the gift of a bowhead as a charitable contribution to North Slope communities.

The OBBBA builds on that legacy by increasing the deduction for whale-hunting-related expenses from \$10,000 to \$50,000. This adjustment covers the cost of inflation and other heightened whaling costs since its enactment. I'm glad to have been able to work with our Alaska Native leaders and whaling captains to increase this deduction so that it keeps pace with inflation and continues to support our Alaska Native communities and their rich culture.

C. Strengthening America's Child Care System

1. Securing Permanent Investments in Families and Children

Everywhere I go in Alaska, I hear from families about the challenges related to child care, and how urgently it needs to be strengthened and reworked to better support hard-working parents. The OBBBA addresses this challenge head-on by significantly enhancing the Employer-Provided Child Care Tax Credit, making it easier for businesses to offer meaningful child care benefits. Under the bill, the maximum credit increases from \$150,000 to \$500,000 per year, covering up to 40 percent of eligible child care expenses. For eligible small businesses, the credit is even more generous—up to \$600,000 with 50 percent of expenses covered. This expansion not only encourages larger employers to invest in on-site or affiliated care facilities, but also provides critical support for smaller businesses, especially those in rural or under-served areas.

The bill also expands the Child and Dependent Care Tax Credit (CDCTC), a policy initiative I have long championed and cosponsored with my colleague, Senator Katie Britt of Alabama. The credit will now reach more families by adjusting income eligibility to include those in higher tax brackets, ensuring broader access to this relief. With 61 percent of Alaskans living in communities classified as child care “deserts,” this provision offers much-needed help for Alaskan families balancing work and caregiving responsibilities. The credit rate will increase to cover 50 percent of qualifying expenses, though it will gradually phase down for higher-income households. This OBBBA provision is a vital step toward offsetting the rising cost of care and helping families—particularly low- and middle-income earners—maintain financial stability and workforce participation.

The enhancement of the Dependent Care Assistance Program (DCAP) increases the tax exclusion for employer-sponsored dependent care assistance to \$7,500 annually, allowing employees to set aside more pre-tax income to pay for care-related expenses. This adjustment aligns the benefit with modern child care costs and expands its usefulness for working families.

The OBBBA also makes the Adoption Tax Credit partially refundable up to \$5,000, ensuring that lower-income families who don't owe federal taxes can still benefit and adopt children.

2. Delivering Permanent Investments for Students and Reforming Tax-Exempt Institutions

Investing in education, particularly for students from lower-income families, remains an important priority for our country. The OBBBA creates a new K–12 Scholarship Tax Credit Program, allowing individuals to receive a dollar-for-dollar federal tax credit of up to \$1,700 for donations made to scholarship-granting organizations. These scholarships would be available to students from families earning less than 300 percent of the area median income and could also be used to help cover tuition at private or religiously affiliated schools. States will have the opportunity to opt-in or out of this new innovative program.

The bill also expands the use of 529 Education Accounts, allowing families to use savings for a wider range of K–12 educational expenses, including tutoring, curriculum materials, dual enrollment, standardized testing, and therapies for students with disabilities. This will support greater flexibility in educational planning and allow parents to pursue alternative or home-based education models.

The OBBBA also delivers permanent Employer-Paid Student Loan Assistance, which excludes employer contributions for student loan repayment benefits from taxable income. Starting in 2027, the exclusion cap will be indexed to inflation, helping workers manage student loan debt and incentivizing employers to include loan repayment benefits as part of their compensation packages.

In addition to supporting K-12 education and student loan repayment, the bill creates an important resource for students pursuing short-term training programs by establishing Workforce Pell grants for post-secondary credentialing. Workforce Pell grants have long been a priority of mine, helping to expand opportunities for students to gain meaningful employment skills and growing a more robust workforce for critical areas of our economy throughout our state.

IV. Making the Largest Investment in U.S. Coast Guard History

A. Improving the Readiness of Our Coast Guard

As Chairman of the Commerce Subcommittee in charge of the Coast Guard, I worked relentlessly on the OBBBA's historic investment in our U.S. Coast Guard. The bill provides nearly \$25 billion to the U.S. Coast Guard—the largest investment in the Coast Guard's history.

This package is aimed at enhancing the Coast Guard's capacity to protect our nation's oceans and maritime communities by strengthening its response to rescue missions and security challenges, particularly in the Arctic and Alaska. The urgency of this critical recapitalization effort cannot be overstated, with [Russian and Chinese incursions](#), including joint operations, increasing in Alaska's airspace and waters. The funding provided by the OBBBA is slated to deliver more than 16 new icebreakers, including up to three Polar Security Icebreakers, and three

Arctic Security Icebreakers. Additionally, the bill funds the procurement of nine Offshore Patrol Cutters, ten Fast Response Cutters, three Waterways Commerce Cutters, more than ten Medium Icebreaking Cutters, 40 helicopters, six C-130J aircraft, and a wide range of maritime surveillance equipment. Many of these new Coast Guard aviation and ship assets are sorely needed in Alaska, and will make Alaskans safer and more secure when they arrive in our state.

These additions represent a major modernization of the Coast Guard's aging operational fleet, increasing its ability to perform search-and-rescue, drug interdiction, and maritime defense missions across the U.S. coastline.

B. Strengthening Alaska's Strategic Role and Infrastructure

In addition to fleet expansion, the OBBBA directs billions of dollars toward rebuilding and upgrading the Coast Guard's aging docks, hangars, and shore facilities—investments critical to sustaining long-term readiness and helping address the Coast Guard's nationwide infrastructure backlog, as found in communities like Sitka, Seward, Kodiak and St. Paul. Included within this funding is a dedicated \$300 million to support homeporting of the Juneau icebreaker, U.S. Coast Guard Cutter *Storis*. I've been working on getting an icebreaker homeported in Alaska for almost a decade. This a critical next step to achieving this priority for Alaska.

These provisions and investments cement Alaska's strategic role as our nation's Arctic operations hub and will strengthen our national security, create good-paying jobs with the hundreds of millions of dollars in Alaska military construction projects, and ensure that the men and women of our Coast Guard have the resources and infrastructure they need to protect Alaska's waters and coastal communities for decades to come.

V. Securing the Border and Fighting Fentanyl

A. Improving Border Security and Immigration Accountability

Our southern border was, until recently, in a state of crisis and chaos. The humanitarian and national security crisis on our southern border was greatly exacerbated by the Biden administration's open border policies. Throughout his time in office, President Biden allowed for an estimated 11 million illegal immigrants to enter the United States, shattering previous records. This includes thousands of criminals and individuals on terrorist watch lists who have unlawfully entered our country. Thankfully, since President Trump came into office, illegal border crossings have dropped by 99 percent.

I have long advocated for stronger policies to secure the nation's southern border, highlighting the negative impacts of President Biden's four years of open border policies on all states, including those that are thousands of miles away, like Alaska. The OBBBA constitutes a historic effort to address the humanitarian and national security challenges on our southern border. This legislation allocates more than \$100 billion to secure our borders, including \$46 billion for a southern border wall, \$48 billion in additional law enforcement funding, \$8 billion for Border Patrol and fleet vehicles, and \$6 billion for border patrol technology. The bill also introduces accountability into our immigration system through the use of immigration fees to help offset the

costs of immigration. The investments and reforms in this bill are focused on combatting drug trafficking, human trafficking, and unauthorized crossings and ensuring that our borders are properly secured and that immigration laws in our country are properly enforced. We must also reaffirm our commitment to legal immigration, creating better pathways for legal immigration, and keeping our communities safe.

B. Combating the Fentanyl Crisis

These far-reaching border security provisions will also significantly help stopping the flow of deadly fentanyl into our country, which remains a huge problem in Alaska.

In both 2023 and 2024, Customs and Border Protection (CBP) seized more fentanyl than ever before. Last year, 27,000 pounds of fentanyl were seized by American law enforcement on its way into the United States. Alaska's communities, from our biggest cities to rural villages, have been very negatively impacted by the deadly consequences of a porous southern border. For years, fentanyl poured into our state, surging overdose deaths by more than 40 percent between 2022 and 2023, and taking the lives of far too many of our young people. With the strong border security provisions in the OBBBA, our law enforcement will be better able stop the flow of this drug into our country and state, fight back against the drug cartels operating in our communities, and ultimately save lives.

VI. Building Up Our Alaska-Based Military

A. Supporting Alaska's Economy and Military Personnel

As a retired Marine Corps Colonel and the Chairman of the Readiness and Management Subcommittee of the Senate Armed Services Committee, taking care of our troops and rebuilding our military, guided by a policy of "Peace Through Strength," have always been two of my highest priorities. I remain deeply committed to strengthening our military by increasing funding and resources that enhance readiness across all branches. Together, the military investments made in the OBBBA represent an important effort to modernize the U.S. military, defend America, and support those who serve and their families.

The bill allocates \$9 billion to improve quality of life for service members—enhancing housing, child care, and health services at Alaska's many military bases. This legislation builds on the historic 14.5 percent military pay raise for junior enlisted warfighters that I helped secure in last year's National Defense Authorization Act—the largest in over two decades.

B. Enhancing National Defense and Missile Defense Systems in Alaska

I fought to include a number of strong military provisions with major benefits for Alaska in the OBBBA, including \$115 million to revitalize existing Arctic infrastructure, like the critical Adak Naval Air Station in Alaska's Aleutian Islands. The bill also invests heavily in homeland missile defense systems—with \$1.975 billion that will enhance radar sites, like the Long-Range Discrimination Radar at Clear Space Force Station, COBRA DANE on Shemya Island, and other installations across the state. Alaska will also benefit from \$800 million for next-generation

interceptors at Fort Greely, and \$500 million for national security space launch infrastructure that could include the Kodiak Pacific Spaceport.

The missile defense investments of \$25 billion in the OBBBA are part of President Trump's "Golden Dome for America" initiative, which accelerates the development of a layered missile defense system to protect the homeland—cementing Alaska at the forefront of our nation's missile defense systems. These upgrades will dramatically improve America's all-domain awareness, with Alaskan troops remaining a cornerstone in our nation's missile defense strategy. My GOLDEN DOME Act, introduced in June of this year, will further build on the down payment made by the OBBBA to protect Alaska and the nation.

C. Advancing Peace Through Strength: Bolstering U.S. Defense Readiness

Rebuilding our military to achieve a policy of "Peace Through Strength" has been one of my top priorities. I firmly believe that a well-equipped, well-prepared military is the surest way to deter conflict and protect our national security. The OBBBA does this with a historic \$150 billion investment in weapons systems, including ship-building, munitions, and military infrastructure. These resources will directly support global force readiness and strategic deterrence, ensuring the U.S. military remains fully equipped to counter emerging threats, particularly in high-stakes spheres such as the Indo-Pacific. This investment also expands military partnerships and improves force readiness across the Indo-Pacific region, strengthening our ability to counter China's growing military aggression and uphold peace through decisive strength.

Additionally, Alaska stands to gain from the \$12 billion Pacific Deterrence Initiative, which includes expanded military exercises involving Alaska Command, and from the \$29 billion shipbuilding provision, which will likely strengthen U.S. Navy maritime presence to help safeguard Alaska's waters. The bill also invests \$9 billion in air superiority efforts that will help sustain aircraft and operations at Eielson Air Force Base and Joint Base Elmendorf-Richardson.

VII. Upgrading America's and Alaska's Aviation Safety

With hundreds of communities off the road system and fully reliant on aviation, and an air traffic control system responsible for the heavily trafficked aviation routes between North America and Asia, no state is more aware of our country's aviation safety challenges than Alaska. Alaska faces an aviation accident rate that is 2.35 times higher than the national average. The OBBBA delivers major, long-overdue investments to address these challenges head-on, building on a broader federal aviation safety overhaul announced by President Trump and Secretary of Transportation Sean Duffy earlier this year, which included the addition of 174 new weather stations specifically for Alaska.

The aviation safety provisions in the bill include \$80 million to install no fewer than 50 Automated Weather Observing Systems (AWOS), 60 Visual Weather Observing Systems (VWOS), and 64 weather camera sites, along with a \$40 million carve-out for the FAA Alaska Aviation Safety Initiative. These weather observing systems and camera sites will provide real-time weather data and visual confirmation in areas with harsh, rapidly changing conditions, ensuring that Alaska's pilots have the technology they need to fly as safely as possible.

VIII. Strengthening Alaska's Health Care

A. Reforming Medicaid and Ensuring No Funding Cuts for Alaska

The OBBBA does not touch Medicare or Social Security, despite numerous false ads running in Alaska by far-left dark money groups saying the contrary. The major Medicaid reform in this bill centers around limitations and reductions of states' use of provider taxes and state-directed payments to enhance their federal Medicaid payments. Many observers view the use of provider taxes and state-directed payments as a scheme to minimize a state's share of Medicaid costs and get enhanced federal payments. Because Alaska is the only state in the country that doesn't use provider taxes or state-directed payments, and never has, its Medicaid program and federal Medicaid funds that the state receives are not impacted by the provider tax reforms in the bill. The State of Alaska currently receives federal Medicaid funding through four primary streams: traditional Medicaid, Tribal Medicaid, Medicaid expansion, and the Children's Health Insurance Program (CHIP). The federal matching rates and overall funding levels for these programs will remain consistent under current law, with no reductions to the federal share or structural funding formulas for Medicaid in Alaska. Nevertheless, there are many challenges to our health care system that I sought to address in the OBBBA.

I've been working for years on legislation to increase Alaska's Medicaid Federal Medical Assistance Percentage (FMAP) by 25 percent to better reflect the high cost of living and high cost of health care delivery in our state. My FMAP provision was included in the Senate version of the OBBBA with White House and Senate Republican support. The Congressional Budget Office estimated that my FMAP provision would have permanently generated more than an additional \$200 million in increased annual federal Medicaid dollars for Alaska.

However, during the final stages of debate on the bill in the Senate, Senate Minority Leader Chuck Schumer and Senate Democrats challenged my Alaska FMAP provision with the goal of stripping it out of the OBBBA by arguing to the parliamentarian of the Senate that it violated budget reconciliation rules. Following this review, the parliamentarian advised that the provision violated the requirements of the "Byrd Rule," resulting in the unfortunate removal of this pro-Alaska health care provision by Senate Democrats, and costing Alaska hundreds of millions of dollars in additional annual Medicaid funding.

This episode again reveals the hypocrisy of Democratic Senate Minority Leader Schumer regarding Alaska health care. While directing far-left groups to run ads in Alaska falsely stating that the OBBBA would cut Medicaid funding for Alaska, he and other Senate Democrats proactively and successfully stripped out and killed hundreds of millions of dollars from the OBBBA that would've significantly increased the amount of federal Medicaid funds coming to Alaska's Medicaid program.

In response to this deliberate sabotage of Medicaid funding in Alaska by Senate Democrats, my team and I quickly pivoted and pursued an alternative solution. To address Alaska's limited health care infrastructure, the OBBBA establishes a \$50 billion Rural Health Transformation Fund to modernize health systems, stabilize rural providers, improve patient outcomes, and keep standalone hospitals open. The formula for this fund, which I shaped to benefit Alaska, allocates half of the funding equally among all states, while the remaining half is distributed based on a

formula developed by the Centers for Medicare & Medicaid Services (CMS). This fund was originally set at \$25 billion, but my team and I worked to double its size, and move its start date to 2026 in response to Senate Democrats killing the Alaska FMAP provision of the OBBBA.

Under the formula for the first half of the fund, Alaska is due to receive \$100 million annually. Regarding the other half, I worked directly with the leaders of CMS to fight for Alaska's fair share, recognizing our rural health care challenges. I am confident that the additional funding from this fund to Alaska will exceed another \$100 million, with a total of at least an additional \$200 million annually from the federal government to help Alaska with its Medicaid and other health care challenges.

In total, this fund is anticipated to provide approximately \$280 million annually for five years to help expand access and improve health care across Alaska, support providers in remote communities, and reduce the state's Medicaid application backlog through the Alaska Division of Public Assistance. This funding is a critical component in maintaining access to care for rural communities, where health care infrastructure often faces significant financial and logistical challenges.

B. Instituting Commonsense Work and Volunteer Requirements for Able-Bodied Adults

Overall, the Medicaid provisions in this bill are focused on making this critical safety net program stronger, more accountable, and more sustainable—especially for Alaskans and for those whom the Medicaid program was initially intended: the poor, disabled, and pregnant women. Our goal is simple: maintain strong safety nets, support the most vulnerable, and grow good-paying jobs across Alaska so more people can thrive and graduate from Medicaid to get covered through the private sector and other means, like union health care plans.

The OBBBA maintains full Medicaid benefits, implementing tailored reforms that uphold Medicaid, prevents misuse, and refocuses benefits on vulnerable Americans. To do so, this bill introduces work and volunteer requirements of 20 hours per week for certain able-bodied Medicaid enrollees aged 19 to 64. I support these Medicaid work and volunteer requirements for those who are able, while noting that the bill also includes commonsense, work exemptions that are tailored for Alaska, including for Alaska Native people, those who live in places with low employment opportunities, disabled veterans, pregnant women, and people with mental health and substance use disorders.

The work and volunteer requirements of 20 hours per week in the OBBBA are more modest than the 30 hours per week that were established in the bipartisan and successful welfare reform legislation led by the Clinton Administration during the 1990s. In the OBBBA, this 20-hour requirement can be met through work, worker training, going to school, or volunteering. Such a requirement is also in keeping with the overall goals of social safety net programs, like Medicaid, which is to take care of the truly vulnerable and disabled in society, but also to encourage upward mobility to enable able-bodied Americans to rise up and eventually graduate from such programs with good-paying jobs that come with their own health care benefits.

Despite these broad flexibilities, I heard from some organizations that these commonsense work and volunteer requirements would be difficult to implement by 2026 in Alaska. To ease implementation concerns, the bill includes a “good faith” waiver, which the Alaska delegation worked hard to secure, that gives certain states additional time, until 2028, to come into compliance. Of course, if those who are required to meet the OBBBA’s 20 hour-per-week work and volunteer requirement choose not to comply, they could lose their Medicaid coverage. But that would be a decision they make, not a federal cut to Alaska’s Medicaid funding. Similarly, the State of Alaska has experienced administrative delays and has a history of implementation challenges. If individuals lose coverage for that reason, that does not constitute a federal cut to Medicaid. Furthermore, if Alaskans graduate from Medicaid income eligibility requirements because they have found gainful employment in the stronger Alaska economy the OBBBA is likely to generate, that is also not a Medicaid cut, but a goal that most Alaskans likely share.

The legislation also upholds existing federal prohibitions on Medicaid funding for abortion-related services, in line with the bipartisan Hyde Amendment, which prohibits federal taxpayer dollars from funding abortion. While the text does not name specific providers, the policy effectively prohibits Medicaid reimbursement to organizations that offer such services—redirecting taxpayer resources toward essential care providers, like Alaska’s nearly 200 Community Health Centers. The bill includes carve-outs so that Community Health Centers may continue to provide emergency abortions when they are medically necessary.

All of these reforms aim to maintain strong safety nets, reduce barriers to care, and grow employment across Alaska, while preserving Medicaid for those who need it most. Despite false ads run by far-left groups who for months have fearmongered on this legislation, this bill does not cut Medicaid dollars for Alaska. To the contrary, the bill will actually provide hundreds of millions of additional federal dollars annually to strengthen health care for Alaska across our state.

IX. Protecting Alaska’s Most Vulnerable Communities

A. Reducing Burdens on Alaska’s Elders, Individuals with Disabilities, and Rural Communities

My team and I worked hard to ensure the OBBBA protects Alaska’s most vulnerable communities, especially our seniors, Alaskans with disabilities, and those struggling to make ends meet.

For years, Alaska workers who qualify for retirement benefits for certain programs, such as Alaska’s PERS and TRS, have been penalized by the Social Security Administration and the IRS for being pushed into a system they did not choose. I was a strong supporter of the Social Security Fairness Act, signed into law earlier this year, to fix this problem for our seniors, strengthen our state’s workforce, help with recruitment efforts, and benefit hard-working Alaska families. Building on this success, I worked to ensure that the OBBBA included strong provisions that particularly benefit retirees and seniors, and those experiencing financial hardship. For older Alaskans, the bill provides a \$12,000 tax deduction per couple (\$6,000 per individual) designed to reduce Social Security tax burdens. This measure is estimated to increase

the lifetime wealth of seniors aged 60 and older by between \$9,000 and \$17,500—offering meaningful financial relief for those on fixed incomes.

The OBBBA repeals components of the Biden-era nursing home staffing mandates, which had posed a serious threat to Alaska’s long-term care facilities, particularly in our rural communities. The rollback of these federal requirements, which was an important priority of the Alaska Hospital and Healthcare Association, will help prevent the closure of vital nursing homes that serve older Alaskans and ensure that these critical services remain available across our state. To further support Alaska’s seniors, this legislation also includes a fiscal year 2026 “doc fix” which ensures Medicare patients will continue to receive essential services from their health care providers without interruption. The bill also exempts seniors over 65 from any Medicaid and SNAP work requirements, recognizing the needs of older adults and protecting their access to essential benefits.

Regarding the accessibility of health care for our vulnerable populations, the bill allows high-deductible health plans to cover telehealth services when the deduction thresholds have not been met, removing a major cost barrier for seniors and residents in rural communities who increasingly rely on virtual care options. This change ensures that more Alaskans, regardless of their location, can access medical services without prohibitive out-of-pocket expenses. Additionally, the OBBBA expands home and community-based services for individuals with disabilities—a provision I was proud to cosponsor and champion—to improve accessibility and the quality of care for some of our most vulnerable populations.

I also worked to ensure the bill maintains a 100 percent federal match for Medicaid services provided to Alaska Native people, ensuring full federal funding for care delivered through Tribal health organizations is not impacted at all. Similarly, Alaska Natives are exempt from Medicaid and SNAP work and volunteer requirements. In this regard, the dishonest ads driven by far-left groups that have been running in Alaska that falsely claim the bill will take Medicaid and Medicare from Alaska Natives are particularly shameful, given that such ads are completely false and are obviously designed to scare Alaska seniors and elders.

Finally, to make it easier to save for health care expenses later in life, the OBBBA enables anyone on a bronze or catastrophic plan to contribute to a tax-advantaged Health Savings Account. This tax-advantaged savings account has tax-free contributions, tax-free growth, and tax-free distributions when used to pay for medical expenses. This is one of the best ways that our country allows people to take charge of their medical care and be independent in their health care expenditure decisions.

B. Protecting Flexibility for SNAP Benefits in High-Cost Areas

The OBBBA takes important steps to address food security by providing targeted protections for recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, an important resource in Alaska—especially in rural areas where food costs are exceptionally high, and access is limited. Programs like SNAP were created to protect our most vulnerable populations, and this legislation helps ensure that these social safety net programs are there for Americans and Alaskans who need them.

This bill provides good governance SNAP cost-sharing measures to ensure that states properly administer their programs and get SNAP benefits to people who need them most. Unfortunately, the State of Alaska has recently had the highest “error rate” for SNAP benefits in the country. Our state needs to do a better job to bring the error rate down when administering SNAP. For that reason, our delegation worked hard to include in the OBBBA extra time for Alaska to modernize and update its SNAP public assistance program with appropriate reforms to bring down our state’s error rate and make sure SNAP benefits go to intended Alaska beneficiaries who need this program. Our Alaska congressional delegation secured up to a two-year delay before these state-federal SNAP cost-sharing measures come into play. This crucial extended implementation period for Alaska will provide the State the time it needs to overhaul and improve its system and better serve Alaskans.

Similar to the commonsense Medicaid work and volunteer requirements, the OBBBA’s SNAP work requirements have flexibilities that take into account many unique challenges that exist in Alaska. These flexibilities include exemptions for all Alaska Native people, parents or guardians of children 14 and under, caregivers for incapacitated individuals, individuals who are medically frail or are dealing with a substance use disorder, pregnant women, and individuals living in areas of high unemployment.

X. Achieving Historic Savings for Our Children’s Future

As a father of three, I am very concerned about the future of our nation’s finances and the burden our children will bear for the debts we are creating today. Our national debt of over \$36 trillion has reached dangerous, unsustainable levels. Last year, we paid out more in interest on this debt—upwards of \$950 billion—than we did to fund our military, about \$870 billion. This \$950 billion did not go to building bridges, roads, ports, or sewer projects in Alaska. This money went to bond holders, many of whom live in Asia, not America. When you look at history, great powers begin to fail when they hit this precarious inflection point—spending more in interest on the debt than they do to protect their own nation. These debt and spending levels also drive high inflation and high interest rates. These both are the main drivers of the high cost of living which remain the top concern of Alaskan families.

The OBBBA represents one of the largest spending reductions in history—\$1.2 trillion—and will reduce the deficit by \$360 billion over ten years, according to the nonpartisan Congressional Budget Office. Importantly, this bill accomplishes these savings principally by unleashing private sector growth, eliminating waste, fraud, and abuse, but not by cutting essential services.

An analysis from the White House Council of Economic Advisors found that the bill will add at least 1.1 percentage points to the annual real GDP growth rate (e.g. an increase from 2.0% to 3.1%) in the first four years of implementation, protect and create 7 million full-time equivalent jobs, and create an additional \$2 trillion in deficit reduction through the increased growth it will provide. That same analysis showed that, because of this increased growth, debt as a percentage of GDP will fall to 94 percent by 2034 from its current rate of 99 percent, as opposed to rising to 117 percent of GDP if the OBBBA was not signed into law.

XI. Fighting Back Against Senate Democrats and Democrat Minority Leader Schumer's Relentless Attempts to Shut Down Alaska's Economy and Harm Our Citizens

During the debate over a budget reconciliation bill, like the OBBBA, the Senate Parliamentarian is responsible for determining whether certain provisions violate what is known as the "Byrd Rule," which dictates that a provision in reconciliation legislation must be principally focused on the budget, spending and taxes. However, the Byrd Rule is not self-executing—the Senate parliamentarian does not automatically review the bill for Byrd Rule violations. Instead, specific provisions must be challenged by Republican or Democratic Senators in order for the parliamentarian to issue a ruling that potentially strips the provision from the bill.

In the case of the OBBBA, Senate Democrats, led by Minority Leader Schumer, challenged nearly every single provision in the bill described above that would benefit Alaska. No state was targeted for harm by Senator Schumer and his fellow Senate Democrats more than Alaska.

As noted above, the most notorious and hypocritical example of targeting Alaska for harm was the Senate Democrats challenging and killing a provision I worked on for years to increase the federal Medicaid FMAP match for Alaska. This pro-Alaska Medicaid FMAP provision was included in the Senate text of the OBBBA, supported by all Senate Republicans and the White House, and would have delivered hundreds of millions of additional dollars each year in federal Medicaid funding to our state. Despite this, far-left-wing affiliated Democrat groups have been running blatantly false attack ads in Alaska claiming that his bill would cut Medicaid and Medicare benefits—an accusation that, again, is untrue.

Here is the undeniable truth: The only Senators who proactively and successfully sought to cut Medicaid funding for Alaskans throughout this process—costing our state hundreds of millions of federal dollars—were Senator Schumer and his fellow Senate Democrats. But, as noted above, we pivoted to limit the damage caused by the Senate Democrats' harmful goal of cutting Medicaid funding directly for Alaska from the OBBBA.

Their efforts to harm Alaska didn't stop there. The OBBBA had another pro-Alaska health care provision of mine to increase inpatient (IPPS) reimbursement rates for rural hospitals in Alaska and Hawaii, which I had introduced as a bill last Congress. This change would have increased federal payments to Alaska hospitals, helping them better cover costs and reduce the burden of uncompensated care. My pro-Alaska health care provision in the bill was also challenged by Senate Democrats, and ultimately stripped out of the OBBBA. However, the Administrator for the Centers for Medicare & Medicaid Services, Dr. Oz, called both me and Senator Murkowski and committed to implement this policy administratively.

Throughout the entire debate and amendment process surrounding this important piece of legislation, Senator Schumer and his fellow Senate Democrats continued their focused efforts to strip out of the OBBBA every major provision intended to help Alaska. For example, Democratic Leader Schumer and his Senate Democrat colleagues sought to eliminate provisions mandating leasing in ANWR, the NPR-A, and Cook Inlet, central to Alaska's energy economy and long-term economic stability. By attempting to remove these resource development

provisions, Senate Democrats were not only attacking Alaska's economy—they were undermining national energy security and trying to kill thousands of good-paying jobs for Alaskans.

Senate Democrats also fought to remove Coast Guard funding in Alaska, including support for facilities tied to the new icebreaker homeported in Juneau. They fought to strip out funding for Arctic military bases, jeopardizing our nation's military readiness and Alaska's central role in protecting American interests in the Far North. They attacked provisions to improve border security. They even tried to kill from the bill provisions that were focused on poverty reduction and strengthening cultural traditions in our Alaska Native communities by trying to strip from the OBBBA pro-Alaska Native provisions that helped whaling and CDQ group communities. On top of that, they tried to kill provisions in the OBBBA that would grant greater flexibility for Alaska's SNAP program, a move that would have directly and negatively impacted families in rural Alaska who depend on these benefits to access basic nutrition in regions where food costs are very high. In fact, after dozens of hours of debate and amendment votes on the OBBBA, the final amendment voted on was one offered by Senate Democrats to strip out of the OBBBA a provision intended to provide Alaska more time to implement SNAP work and volunteer requirements. Fortunately, it failed.

Their efforts throughout this process are sadly consistent with the long pattern of national DC Democrats' attempts, for decades, to lock up our state, shut down our economy, and hurt our working families. Alaskans should know that that is the goal of the far-left dark money groups who have been recently running false ads throughout Alaska attacking the OBBBA and me.

The pro-Alaska provisions we fought hard to keep in the final version of this bill and Senate Democrats fought to keep out are not luxury items—they are foundational investments in Alaska's economy, security, and well-being. From resource development to military infrastructure, health care to food security, these measures reflect the needs and priorities of our unique state and I am proud to have championed all of them. As Alaskans, we are strong, resilient, and determined, and I will always fight for the interests of Alaskans. Ultimately, national Senate Democrats' relentless attempts to strip from the OBBBA all of these positive and historic provisions for Alaska did not prevail. We Alaskans did.

XII. Working with the State of Alaska on Implementing the OBBBA

As we work to implement this bill and the many provisions that have very strong bipartisan support throughout Alaska, it will be critical for our congressional delegation to be in close coordination with both the executive and legislative branches of our state government.

For instance, we have a historic opportunity with this bill and the Trump administration to move forward and develop long-sought-after resource development projects—ANWR, NPR-A, Alaska LNG, Cook Inlet—especially now that we have a future state-federal revenue share that dramatically favors Alaska with 70 percent of revenues going to the state.

As we continue to work on permitting reform to expedite projects at the federal level, it will be imperative that the State of Alaska also takes strides in expediting its own permitting process, so we don't miss this opportunity to develop our resources and create good paying jobs.

Many of the key programs in this legislation addressing health care and public assistance are state-federal shared programs, like Medicaid and SNAP. As noted above, the state has had administrative challenges implementing Medicaid and will need to address them. The State of Alaska will also have to submit a plan to qualify for the Rural Health Transformation Fund provision I was able to include in the OBBBA. Over five years, this fund will likely generate approximately \$1.4 billion for our health care system, but only if the state has a comprehensive plan on how it's going to use these funds. This plan will be something my team and I will work closely with the state to complete.

Secondly, given some of our state's challenges as it relates to SNAP, we were able to get a significant implementation delay so that the State of Alaska could work to fix its high "error rate" for SNAP benefits. The State of Alaska has my commitment to work with them to help fix this high "error rate" and create a system where people who qualify for the program get the benefits, and those who don't qualify don't get them. There is an extended window for Alaska to fix this issue, but we must work together to do so.

Finally, as it relates to the significant Coast Guard funding the state will receive, it will be important to have plans and policies in place in cities like Juneau that can expedite homeporting, housing, and other infrastructure needs for the incoming U.S. Coast Guard Cutter *Storis*. Once again, we will work with the state closely to ensure that these plans and policies are in place.

XIII. Conclusion

The One Big Beautiful Bill Act is transformative legislation that will unleash Alaska's extraordinary resource potential, deliver tax relief for hard-working families and small businesses, make the largest investment for the U.S. Coast Guard in history, secure the southern border and halt the flow of deadly fentanyl, continue the build-up of Alaska-based military, upgrade Alaska's aviation safety, strengthen Alaska's health care and nutrition programs, protect Alaska's most vulnerable communities, and achieve historic savings for future generations. I am now relentlessly focused on its prompt implementation.

My team and I will continue to provide as much accurate information about this bill to all Alaskans as possible. If you or an organization you are part of would like additional information or briefings, please let us know.

Thank you again for contacting me on this issue. If you have any more questions or concerns, please feel free to contact me or my staff. My office can be reached at 202-224-3004 or online at www.sullivan.senate.gov.

Sincerely,



Dan Sullivan
United States Senator