



*Transformative
legislation for
Alaska's future*

Sen. Sullivan's full letter to
Alaskans on the OB BB:



Growing Alaska's Economy & Good-Paying Jobs



From my time serving as Alaska's Commissioner of Natural Resources to now serving as Alaska's U.S. Senator, I have always focused on unleashing Alaska's vast resource wealth to create sustainable, private sector economic growth and good-paying jobs. The OB BB renews the historic leasing program in the Arctic National Wildlife Refuge (ANWR) Coastal Plain that we secured in the 2017 Tax Cuts & Jobs Act and expands leasing opportunities in the National Petroleum Reserve of Alaska (NPR-A) and Cook Inlet. The OB BB also dramatically increases the State of Alaska's share of revenues from federal leases. Finally, the OB BB restores practical permitting timelines to promote economic growth, create good-paying jobs, and strengthen the nation's energy security. Specifically, the OB BB:

- Mandates **4 lease sales in ANWR** in 10 years, minimum of 1.6 million acres. (State share increases from 50 to 70% after 2034).
- Mandates **5 lease sales in NPR-A** in 10 years, minimum of 20 million acres. (State share increases from 50 to 70% after 2034).
- Mandates **6 lease sales in Cook Inlet** in 10 years, minimum of 6 million acres. (State share increases from 27 to 70% after 2034).
- **Streamlines NEPA** regulatory process with new fee-base system.

Regarding other key resource sectors in Alaska, the OB BB also:

- Mandates **40 long-term timber harvest contracts** on public lands, likely including the Tongass National Forest in Southeast.
- Provides **\$5 billion** to grow America's critical minerals supply chains, including Alaska mining.
- Establishes a new **Energy Dominance Financing Program** that can be utilized to continue advancing the **Alaska LNG Project**.



Building Up Our Alaska-based Military



As a retired Marine Corps Colonel and the Chairman of the Readiness and Management Support Subcommittee of the Senate Armed Services Committee, taking care of our troops, building up our Alaska-based military, and advancing a policy of "Peace Through Strength" have always been three of my highest priorities. The OB BB makes a historic investment in our military, including:

- **\$9 billion** for service member housing, child and health care.
- **\$9 billion** for air superiority, benefitting Eielson Air Force Base and Joint Base Elmendorf-Richardson (JBER).
- **\$25 billion** for a down payment on the new Golden Dome missile defense system, with **\$1.975 billion** for improved radars and **\$800 million** for next-generation interceptors—much of which will come to Alaska, the cornerstone of America's missile defense system.
- **\$115 million** to revitalize Arctic infrastructure, like the Naval Air Station at Adak in the Aleutians.
- **\$12 billion** for the Pacific Deterrence Initiative.
- **\$29 billion** for U.S. Navy shipbuilding.



Delivering Tax Relief for Families & Small Businesses



As Alaska's U.S. Senator, I have always fought to ensure hard-working Alaskans are able to keep more of their paycheck, young families have the support they need to raise the next generation, and our small businesses are able to grow and hire more workers. Building on the tax relief in the 2017 Tax Cuts and Jobs Act (TCJA), the OB BB:

- Avoids a **\$4.5 trillion** tax hike on all Americans (an increase of **\$2,380** on every Alaskan, and a 25% hike on 58,000+ businesses).
- Saves a family of four **\$7,600 - \$10,900** per year.
- Preserves a **doubled standard deduction**, indexed to inflation.
- **Eliminates taxes on tips and overtime**.
- Expands **tax relief for small business**—99% of Alaska businesses.
- Permanently boosts the **Child Tax Credit** to \$2,200.
- Enhances and improves the **Child & Dependent Care Tax Credit** and the **Employer Child Care Credit**.
- Increases **Dependent Flexible Spending Accounts** by \$2,500.
- Solidifies tax credits for **affordable housing, opportunity zones, and new markets**; and adds tax credit emphasis on economically disadvantaged and rural communities.
- Offers **charitable deductions** for those taking standard deduction.



Strengthening Alaska's Health Care System



I've fought for years to increase **Alaska's Medicaid Federal Medical Assistance Percentage (FMAP)** to better reflect our high cost of living and health care delivery. My FMAP provision, valued at \$200 million in additional annual federal Medicaid dollars for Alaska, was initially included in the OB BB with White House and Senate Republican support. However, Sen. Chuck Schumer and Senate Democrats challenged my provision under the rules of budget reconciliation and successfully stripped it out. In response to this deliberate sabotage by Senate Democrats, my team and I quickly pivoted. We successfully negotiated a doubling of the OB BB's **Rural Health Transformation Fund to \$50 billion**. Between the fund's two formulas, Alaska is expected to receive approximately **\$280 million annually for 5 years** to help modernize our health care system, stabilize rural providers, improve patient outcomes, and reduce the state's Medicaid backlog.

Finally, the OB BB institutes a commonsense, **20-hour-per-week work, volunteer or study requirement** for able-bodied individuals utilizing Medicaid to ensure they are contributing to our communities. At the same time, the bill includes numerous exemptions from these work requirements, including: parents or guardians of children 14 and under, seniors, Alaska Native people, caregivers for incapacitated individuals, individuals who are medically frail or dealing with a substance use disorder, pregnant women, and individuals living in areas of high unemployment. The OB BB also grants states like Alaska with flexibility and a delayed deadline to ease the implementation of these new requirements.

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

As Chairman of the Commerce Subcommittee in charge of the Coast Guard, I've fought to ensure that our Coast Guardsmen have the resources and infrastructure they need to fulfill their many critical missions and protect Alaska's coastal communities, especially in light of escalating Russian and Chinese incursions, including joint operations, near Alaska's airspace and waters. The OBBB provides a historic **\$25 billion** investment in the U.S. Coast Guard that includes:

- **16 new icebreakers**, 3 of which will be Polar Security Cutters (heavy).
- **22 new cutters**, including offshore patrol and fast response cutters.
- **40+ new helicopters, 6 new C-130J aircraft.**
- **\$4.379 billion** to repair and replace shoreside facilities and aging infrastructure, benefitting Alaska's coastal communities.
- **\$300 million** for homeporting of Juneau icebreaker, *USCGC Storis*.

Securing the Border & Fighting the Flow of Deadly Fentanyl

Our southern border was, until very recently, in a state of chaos, a result of the Biden administration's open border policies. President Biden allowed about 11 million illegal immigrants to enter the U.S. I have long highlighted the deadly impacts of this crisis on urban and rural parts of Alaska, which has seen the highest increase in the rate of drug overdose deaths of any state in the country. Since taking office, President Trump has brought illegal border crossings down by 99%. To support the President's efforts, the OBBB allocates:

- **\$46 billion** for a southern border wall.
- **\$48 billion** in additional law enforcement funding.
- **\$8 billion** for Border Patrol vehicles; **\$6 billion** for new technology.

Upgrading Alaska's Aviation Safety System

Alaska faces an aviation accident rate that is 2.35 times higher than the national average. The OBBB 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 in 2025, which included the addition of 174 new weather stations specifically for Alaska. The OBBB makes a **\$12.5 billion** investment in a nationwide Air Traffic Control overhaul, including:

- **\$80 million** for 50+ Automated Weather Observing Systems (AWOS), 60+ Visual Weather Observing Systems (VWOS), 64+ weather camera sites.
- **\$40 million** for the FAA Alaska Aviation Safety Initiative (FAASI).

Achieving Historic Savings for Our Children's Future

Last year, we paid out more in interest on our nation's \$36 trillion 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. The OBBB 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.

Protecting Alaska's Most Vulnerable Communities







My team and I worked hard to ensure the OBBB protects Alaska's most vulnerable communities, especially our seniors, Alaskans with disabilities, and those struggling to make ends meet. Among other provisions, the OBBB:

- Provides seniors with a **\$12,000 tax deduction** per couple.
- Includes a **2.5% "doc fix"** to strengthen Medicare access.
- Repeals Biden-era nursing home staffing mandates that threatened Alaska's long-term care facilities.
- Maintains 100% federal Medicaid coverage for Alaska Native people and exempts them from work requirements.
- Permanently extends the tax-free savings provisions for **Achieving a Better Life Experience (ABLE) accounts** for individuals with disabilities, and expands home- and community-based services.
- Expands **telehealth access** by allowing copays to be covered outside of overall health insurance deductibles.

The OBBB also includes measures to ensure states are properly administering the **Supplemental Nutrition Assistance Program (SNAP)** and that benefits are reaching those who need them most. States that have high SNAP "error rates," like Alaska, are granted additional time and flexibility to come into compliance with new requirements and modernize their programs. Finally, as with Medicaid, the OBBB institutes commonsense work or volunteer requirements for SNAP, but also includes numerous exemptions.

Just the Facts

Answering false claims made about the OBBB.

-  **CLAIM:** The OBBB cuts Medicare, Medicaid and Social Security.
-  **TRUTH:** The OBBB makes no changes to Medicare or Social Security. The major Medicaid reforms in the bill limit states' use of provider taxes and state-directed payments—a scheme to get enhanced federal Medicaid payments. Alaska is the only state that has never used provider taxes or state-directed payments, and is therefore not impacted by these reforms. The federal matching rates and funding formulas for Alaska's Medicaid remain consistent under the OBBB. In fact, because of the Rural Health Transformation Fund, Alaska will net hundreds of millions more dollars to support its Medicaid program than without the OBBB. It's also important to note, Senate Democratic Leader Chuck Schumer tried to strip out nearly every provision beneficial for Alaska under the rules of budget reconciliation—including my FMAP provision to dramatically increase federal Medicaid dollars for Alaska. Therefore, it is simply a fact that the only people trying to cut Medicaid funding for Alaska throughout the OBBB process were Senator Schumer and Senate Democrats.
-  **CLAIM:** The OBBB is a big tax cut for the wealthiest Americans.
-  **TRUTH:** Millionaires and billionaires will pay the exact same marginal tax rate after enactment of the OBBB as they did before.
-  **CLAIM:** The Medicaid/SNAP work requirements equal benefit cuts.
-  **TRUTH:** If a young, able-bodied, childless adult chooses not to work, volunteer or study for 20 hours per week in order to be eligible for Medicaid or SNAP, that is their choice, but it is not a "cut." Likewise, if an Alaskan gets a good-paying job with private health coverage and graduates from Medicaid, that is also not a cut. Rather, that should be our collective goal as Alaskans.