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## **Fitch: US Energy States' Fiscal Pressures Go On.**

Fitch Ratings-New York-01 December 2016: Low commodity prices will keep fiscal pressure on energy states in 2017, Fitch Ratings says. We expect severance taxes and related revenue sources to remain low, while personal income and sales tax collections will remain suppressed, prolonging fiscal pressure.

This year, price and production shifts among energy states contributed to some Issuer Default Rating (IDR) downgrades: Alaska to 'AA+' from 'AAA'; Louisiana to 'AA-' from 'AA'; and West Virginia to 'AA' from 'AA+'. Alaska and West Virginia carry Negative Rating Outlooks, in addition to Oklahoma (IDR of 'AA+').

The anticipated loosening of federal environmental oversight to promote increased energy development and the recently positive crude oil price trend will not overcome the global market forces that are restraining crude oil and natural gas prices. The glut of crude oil, an international commitment to reduce coal use to combat climate change and increasing use of renewables for energy needs will keep demand for coal weak.

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