

HOUSE BILL NO. 369

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE CHENAULT

Introduced: 2/23/10

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to an in-state natural gas pipeline, the office of in-state gasline project**
2 **manager, the Joint In-State Gasline Development Team, and the In-State Gasline**
3 **Steering Committee; and providing for an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 38 is amended by adding new sections to read:

6 **Chapter 34. In-State Natural Gas Pipeline.**

7 **Sec. 38.34.010. In-state gasline project manger.** (a) The position of in-state
8 gasline project manager is created in the Office of the Governor. The Office of the
9 Governor shall provide administrative support for the position. The position shall
10 continue until one year after commencement of commercial operation of the in-state
11 natural gas pipeline.

12 (b) The governor shall appoint an individual to the position of in-state gasline
13 project manager. The manager is in the partially exempt service under AS 39.25.120.
14 The person serving as the in-state gasline project manager may be removed from the

1 position at the discretion of the governor, who shall appoint another person to the
2 position.

3 (c) The in-state gasline project manager shall

4 (1) collaborate with other state agencies to perform planning and other
5 work on the in-state natural gas pipeline project under this chapter;

6 (2) coordinate with government agencies and the private sector on
7 issues involving construction, ownership, and operation of the in-state natural gas
8 pipeline;

9 (3) submit written monthly progress reports to the legislature setting
10 out the monthly expenditures of funds spent in the development of the in-state natural
11 gas pipeline, and including projections of future expenditures and efforts needed to
12 develop the in-state natural gas pipeline.

13 **Sec. 38.34.020. Expedited review and action by state agencies.** (a) A review
14 conducted and action taken by a state agency relating to the in-state natural gas
15 pipeline project under this chapter shall be expedited in a manner consistent with the
16 timely completion of the project.

17 (b) Notwithstanding any contrary provision of law, a state agency may not
18 include in any project certificate, right-of-way, permit, or other authorization issued to
19 the licensee a term or condition that is not required by law if the in-state gasline
20 project manager determines that the term or condition would prevent or impair, in any
21 significant respect, the expeditious construction and operation or expansion of the in-
22 state natural gas pipeline project.

23 (c) Unless required by law, a state agency may not add to, amend, or abrogate
24 any certificate, right-of-way, permit, or other authorization issued to a licensee if the
25 in-state gasline project manager determines that the action would prevent or impair, in
26 any significant respect, the expeditious construction, operation, or expansion of the in-
27 state natural gas pipeline project.

28 **Sec. 38.34.030. Joint In-state Gasline Development Team.** (a) The Joint In-
29 state Gasline Development Team is established in the Office of the Governor. The
30 team consists of four members as follows:

31 (1) the commissioner of transportation and public facilities, or the

1 commissioner's designee;

2 (2) the chief executive officer of the Alaska Railroad Corporation;

3 (3) the chief executive officer of the Alaska Natural Gas Development
4 Authority; and

5 (4) the in-state gasline project manager.

6 (b) The chief executive officer of the Alaska Railroad Corporation is the chair
7 of the Joint In-state Gasline Development Team.

8 (c) The development team may hire staff, enter into contracts, and exercise
9 other powers necessary to carry out its functions.

10 **Sec. 38.34.040. Duties of the development team.** (a) The Joint In-state
11 Gasline Development Team shall ensure that construction is ready to begin on an in-
12 state natural gas pipeline by July 1, 2011, and take actions necessary to enable natural
13 gas to flow down the pipeline by 2015.

14 (b) The Joint In-state Gasline Development Team shall

15 (1) select a route for an in-state natural gas pipeline that runs from the
16 North Slope to tidewater that, to the extent consistent with other requirements of this
17 subsection,

18 (A) is the most economical;

19 (B) will provide natural gas to the greatest number of residents
20 at a reasonable cost;

21 (C) uses state land and existing state highway and railroad
22 rights-of-way to the maximum extent;

23 (D) uses existing highway and railroad bridges, gravel pits,
24 equipment yards, and maintenance facilities, and other existing facilities and
25 resources to the maximum extent;

26 (2) identify land or rights-of-way that must be obtained for
27 construction and operation of the in-state natural gas pipeline and take action
28 necessary to enable the Department of Transportation and Public Facilities to acquire
29 those interests;

30 (3) prepare plans and designs necessary for construction of the in-state
31 natural gas pipeline;

1 (4) identify all permits and licenses needed to construct the in-state
2 natural gas pipeline and proceed with applications for those permits and licenses;

3 (5) prepare and update estimates of construction and other costs of
4 pipeline construction;

5 (6) take any action necessary so that construction may begin on the in-
6 state natural gas pipeline by July 1, 2011, and report to the legislature by that date.

7 **Sec. 38.34.050. Cooperation and access to information.** (a) Notwithstanding
8 other laws, the Joint In-state Gasline Development Team may have access to
9 information of a state entity, including confidential information, that may relate to the
10 in-state natural gas pipeline or prove useful in planning, design, construction, or
11 operation of the pipeline. Confidential information received by the development team
12 shall be kept confidential.

13 (b) All state agencies and other entities shall cooperate with and give priority
14 to requests for information from the Joint In-state Gasline Development Team. The
15 development team shall avoid duplicating studies, plans, and designs that have already
16 been produced or otherwise obtained by other state entities.

17 **Sec. 38.34.060. Conflicts of interest.** If a member of the Joint In-state Gasline
18 Development Team acquires, owns, or controls an interest, direct or indirect, in
19 property, an organization, or a business that might be affected by the in-state natural
20 gas pipeline project or other matter under consideration by the development team, the
21 member shall immediately disclose the interest to the development team. The
22 disclosure is a matter of public record and shall be included in the minutes of the first
23 meeting of the development team held after the disclosure.

24 **Sec. 38.34.070. In-state Gasline Steering Committee.** (a) The In-state
25 Gasline Steering Committee is created in the Office of the Governor to provide advice
26 to the Joint In-state Gasline Development Team. The steering committee consists of
27 the

- 28 (1) president of the senate, or the president's designee;
29 (2) speaker of the house of representatives, or the speaker's designee;
30 (3) commissioner of commerce, community, and economic
31 development, or the commissioner's designee;

1 (4) commissioner of labor and workforce development, or the
2 commissioner's designee;

3 (5) chair of the Regulatory Commission of Alaska, or the chair's
4 designee;

5 (6) executive director of the Alaska Permanent Fund Corporation;

6 (7) executive director of the Alaska Industrial Development and
7 Export Authority;

8 (8) executive director of the Alaska Housing Finance Corporation;

9 (9) following individuals appointed by the Joint In-state Gasline
10 Development Team:

11 (A) an individual with financial background;

12 (B) an individual with oil or natural gas pipeline experience;

13 (C) an individual who represents a corporation organized under
14 43 U.S.C. 1601 et seq. (Alaska Native Claims Settlement Act);

15 (D) an individual who represents a nonprofit corporation
16 organized by a Native organization organized under federal law;

17 (E) an individual who represents an oil and gas trade
18 association;

19 (F) an individual who represents a natural gas utility;

20 (G) an individual who represents an electric utility;

21 (H) an individual from the Office of the Federal Coordinator
22 for Alaska Natural Gas Transportation Projects;

23 (I) an individual who represents the North Slope Borough;

24 (J) an individual who represents the Fairbanks North Star
25 Borough;

26 (K) an individual who represents the Matanuska-Susitna
27 Borough;

28 (L) an individual who represents the Municipality of
29 Anchorage;

30 (M) an individual who represents the Kenai Peninsula
31 Borough;

1 (N) an individual who represents Delta Junction;

2 (O) an individual who represents Glennallen;

3 (P) an individual who represents Valdez.

4 (b) The members appointed under (a)(9) of this section serve without
5 compensation but are entitled to per diem and travel expenses authorized for boards
6 and commissions under AS 39.20.180.

7 (c) The members of the steering committee shall select a chair and vice-chair
8 from among the membership.

9 **Sec. 38.34.080. Duties of the steering committee.** (a) The In-state Gasline
10 Steering Committee shall consider all aspects of the in-state natural gas pipeline
11 project, including public or private construction of the pipeline, marketing of natural
12 gas, a financing plan for pipeline construction, the purchase of natural gas from
13 producers, maximizing hiring of residents in connection with the pipeline project,
14 delivery and costs of natural gas to communities along the pipeline route,
15 manufacturing opportunities for gas-to-liquids, plans for delivery and costs of
16 liquefied natural gas or propane to Yukon river and coastal communities, and
17 acquisition of natural gas market share sufficient to ensure the long-term feasibility of
18 the in-state natural gas pipeline project.

19 (b) The Joint In-state Gasline Development Team may assign specific issues
20 to the In-state Gasline Steering Committee for its consideration and recommendations.

21 (c) The In-state Gasline Steering Committee shall report its conclusions and
22 recommendations to the Joint In-state Gasline Development Team.

23 **Sec. 38.34.090. Conflicts of interest and ethics.** (a) If a member of the In-
24 state Gasline Steering Committee acquires, owns, or controls an interest, direct or
25 indirect, in property, an organization, or business that might be affected by the in-state
26 natural gas pipeline project or other matter under consideration by the steering
27 committee, the member shall immediately disclose the interest to the steering
28 committee. The disclosure is a matter of public record and shall be included in the
29 minutes of the first meeting of the steering committee held after the disclosure.

30 (b) AS 39.52 does not apply to a member of the In-state Gasline Steering
31 Committee appointed under AS 38.34.070(a)(9).

1 **Sec. 38.34.100. Definitions.** In this chapter,

2 (1) "in-state natural gas pipeline" means a pipeline for transporting
3 natural gas that runs from the North Slope to tidewater in the state;

4 (2) "North Slope" means that area of Alaska lying north of 68 degrees
5 North latitude.

6 * **Sec. 2.** AS 39.25.120(c) is amended by adding a new paragraph to read:

7 (21) the in-state gasline project manager appointed under
8 AS 38.34.010.

9 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).