

**AMENDMENT**

OFFERED IN THE SENATE

BY SENATOR KELLY

TO: CSSB 21(FIN), Draft Version "Y"

1 Page 1, line 9, following "**explorers**";:

2 Insert "**establishing the Oil and Gas Competitiveness Review Board**;"

3

4 Page 23, following line 11:

5 Insert a new bill section to read:

6 "**\* Sec. 34.** AS 43.98 is amended by adding new sections to read:

7 **Article 2. Oil and Gas Competitiveness Review Board.**

8 **Sec. 43.98.040. Oil and Gas Competitiveness Review Board.** (a) The Oil and  
9 Gas Competitiveness Review Board is established in the department.

10 (b) The board shall consist of nine members as follows:

11 (1) two members nominated by the two leading nonprofit trade  
12 associations representing the oil and gas industry in the state and appointed by the  
13 governor, with one member nominated by each association;

14 (2) the chair of the Alaska Oil and Gas Conservation Commission or  
15 the chair's designee;

16 (3) three members of the public appointed by the governor, including  
17 one member who is a petroleum engineer, one member who is a geologist, and one  
18 member who is an economist;

19 (4) the commissioner of environmental conservation or the  
20 commissioner's designee;

21 (5) the commissioner of natural resources or the commissioner's  
22 designee; and

23 (6) the commissioner of revenue or the commissioner's designee.

1 (c) The governor shall, every two years, designate one of the members as  
2 chair.

3 (d) Members of the board appointed under (b)(1) and (b)(3) of this section  
4 serve for six years. An individual who has served on the board may be reappointed.

5 (e) A vacancy on the board shall be filled in the manner of the original  
6 appointment.

7 (f) A member of the board may be removed and replaced at the discretion of  
8 the governor.

9 (g) The members of the board appointed under (b)(1) and (b)(3) of this section  
10 serve without compensation but shall receive per diem and travel expenses authorized  
11 for boards and commissions under AS 39.20.180.

12 (h) The board may enter into contracts for professional services and may  
13 employ staff for administrative support for the board.

14 (i) The board may not meet more than once in a calendar year.

15 **Sec. 43.98.050. Duties.** The duties of the board include the following:

16 (1) establish and maintain a salient collection of information related to  
17 oil and gas exploration, development, and production in the state and related to tax  
18 structures, rates, and credits in other regions with oil and gas resources;

19 (2) evaluate and suggest changes to state laws and regulations  
20 governing the oil and gas industry;

21 (3) review historical, current, and potential levels of investment in the  
22 state's oil and gas sector;

23 (4) identify factors that affect investment in oil and gas exploration,  
24 development, and production in the state, including tax structure, rates, and credits;  
25 royalty requirements; infrastructure; workforce availability; and regulatory  
26 requirements;

27 (5) review the competitive position of the state to attract and maintain  
28 investment in the oil and gas sector in the state as compared to the competitive  
29 position of other regions with oil and gas resources;

30 (6) in order to facilitate the work of the board, establish procedures to  
31 accept and keep confidential information that is beneficial to the work of the board,

1 including the creation of a secure data room and confidentiality agreements to be  
2 signed by individuals having access to confidential information;

3 (7) make written findings and recommendations, together with  
4 suggested legislation, to the Alaska State Legislature before December 1 of each year,  
5 or as soon thereafter as practicable, regarding

6 (A) changes to the state's regulatory environment that would be  
7 conducive to encouraging increased investment while protecting the interests  
8 of the people of the state and the environment;

9 (B) changes to the state's fiscal regime that would be conducive  
10 to increased and ongoing long-term investment in and development of the  
11 state's oil and gas resources; and

12 (C) alternative means for increasing the state's ability to attract  
13 and maintain investment in and development of the state's oil and gas  
14 resources.

15 **Sec. 43.98.060. Information to be provided to board.** (a) The commissioner  
16 of natural resources, the commissioner of revenue, the commissioner of environmental  
17 conservation, and other commissioners and state agencies that have responsibility for  
18 and maintain information related to oil and gas investment and activity in the state  
19 shall, at the request of the board, provide information required by the board to carry  
20 out the duties described in AS 43.98.050.

21 (b) At the request of the board, and except for information that is confidential  
22 under AS 40.25.100(a) or AS 43.05.230 and information required to be held  
23 confidential by the Alaska Oil and Gas Conservation Commission, a commissioner  
24 may disclose to the board information that is otherwise confidential after each member  
25 of the board and each staff member for the board with access to the information signs  
26 a confidentiality agreement prepared by the commissioner making the disclosure.  
27 Information that is confidential under AS 43.05.230 may not be disclosed to the board.

28 **Sec. 43.98.070. Definition.** In AS 43.98.040 - 43.98.070, "board" means the  
29 Oil and Gas Competitiveness Review Board."  
30

31 Renumber the following bill sections accordingly.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

Page 23, following line 13:

Insert a new bill section to read:

**"\* Sec. 37.** AS 43.98.040, 43.98.050, 43.98.060, and 43.98.070 are repealed December 31, 2022."

Renumber the following bill sections accordingly.

Page 23, following line 29:

Insert a new bill section to read:

**"\* Sec. 40.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: OIL AND GAS COMPETITIVENESS REVIEW BOARD. The governor shall appoint the initial members of the Oil and Gas Competitiveness Review Board, established in sec. 34 of this Act, before January 1, 2014. The initial terms of the members of the board appointed under AS 43.98.040(b)(1) and (b)(3) shall be set by the governor and staggered so that one member serves one year, two members serve four years, and two members serve six years. The first written findings and recommendations, together with suggested legislation, shall be delivered to the Alaska State Legislature on December 1, 2015, or as soon thereafter as practicable."

Renumber the following bill sections accordingly.

Page 24, line 1:

Delete "34"

Insert "35"

Page 24, line 3:

Delete "35"

Insert "36"

- 1 Page 24, line 6:
- 2 Delete "secs. 39 and 40"
- 3 Insert "secs. 42 and 43"