



Representative Mike Hawker

Alaska State Legislature

Sponsor Statement

CS for Sponsor Substitute for House Bill 4 (RES) Version \P
In-state Gasline Development Corp

House Bill 4 (HB 4) creates an entity charged with getting Alaska's natural gas into the hands of Alaskans. HB 4 empowers the Alaska Gasline Development Corporation (AGDC) to lead Alaska into a natural gas future.

For decades, Alaskans have looked to natural gas to ease crippling instate energy costs and air quality problems; to support new industry and jobs; to promote economic development; and to generate state revenue as the resource is commercialized. HB 4 provides AGDC the authority and resources to develop, finance, and operate a 500 million cubic feet per day gas pipeline from the North Slope, serving Fairbanks and Southcentral, at the lowest possible cost, without delay. While pursuing this project, AGDC is structured to be responsive if alternatives materialize that provide greater benefit to Alaskans, including potential partnership with industry on a large-diameter export pipeline. Finally, HB 4 enables AGDC to consider future pipelines that extend the benefits of natural gas to more Alaskans.

This legislation includes ways for the state to support AGDC and an instate natural gas pipeline and to alleviate uncertainty and risk, thereby minimizing the prices Alaskans pay for natural gas. HB 4 maximizes state efforts; separates AGDC from political influence; and creates a regulatory environment for a contract carrier pipeline that encourages future development of oil and gas resources. HB 4 also provides crucial checks and balances to ensure AGDC is accountable to Alaskans – for state money, for state oversight, and for the costs of gas to consumers.

To date, private sector companies have not built a gas pipeline of this magnitude. The risks and costs associated with a pipeline spanning the 700-mile-plus length of Alaska are significant for any private sector entity. Yet, Alaskans remain in critical need of natural gas for instate use. The state can act now to bring a project together, opening new private sector development opportunities while addressing our instate energy issues.

This is Alaska's opportunity to advance the state's interests to get Alaskan gas into the hands of Alaskans on our schedule, without waiting for others to determine our future.