

Testimony to Senate Finance Committee re HB 4

April 8, 2013

Co-Chairmen Kelly and Meyer and Committee Members:

Thank you for this opportunity to testify regarding this proposition of the ASAP gas pipeline as now defined by HB 4.

My name is Cindy Roberts. Except for four years in Juneau with the second Hickel administration, I have been a resident of Anchorage since 1971.

Since a recent tour of duty in the Murkowski Administration, I have been totally absorbed with gas pipeline questions and trying to craft clear explanations of the goals and objectives of AGIA.

Last January, I published the *second* edition of CRACKING THE CODE—A Citizen's Guide to the Alaska Natural Gas Pipeline Discussion. My credentials are not in micro management of legal language. They are in commitment to Alaska and Alaskans in understanding the language of taking our natural gas resource to our communities in the state and to the global market in order to make our gas affordable to Alaskans - of this and future generations.

As you in this Committee examine the details of this bill, do not lose focus on the big issues:

- AGIA is being held ransom. Not just by the market glut in Canada and the Lower 48, but by the leaseholders on the Slope who wait for a new tax picture to thrill their stockholders.
- This "fiscally-conservative" legislature is ignoring reality. Do not lose sight of the \$500 million already committed to AGIA. More than \$300 million of "inducements" has been invested to date. *What results have been reported to the public AND TO YOU? Can this continue?*
- TWO Open Seasons for AGIA have not been disclosed. The September 2012 yielded at least a 200% interest by willing purchasers. *Why is a third Open Season on a smaller line a wise investment?*
- The economics of this pipeline are compromised by the legal limits of AGIA -- with maximum throughput of 500 million standard cubic feet per day. We will not only have higher costs per unit for nonindustrial use, we will skip value-added options as the liquids will not be transportable in this line. *Why is this being seen as "maximum benefit"? And to whom?*

Our economic future is at a watershed moment thanks to this bill and SB 21's possible obliteration of our fiscal security. Before you vote on this bill and send it to the Governor for signature, once again read the 2011 Alaska Gasline Port Authority report from Wood Mackenzie and look at the \$400 Billion to the plus side of the equation that will result from a large scale pipeline to a deep-water export facility in Valdez.

Your math skills and your ethical reputations are in question.

Cindy Roberts

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April 9, 2013
6:30 PM

Dear Senators,

My name is Manny Escobedo and I firmly oppose HB4. When was anything done in a hurry the best way to do something. In 2002 Alaskans voted for a gas line to Valdez and so far we have produced nothing. Now we must do it by way of ASAP, nice pun.

Alaskans when told of the options, understand that HB4 is wrong. We would spend 10-13 billion to have natural gas to a few communities. We would pay for the line and the gas. No profits!! Is that who we are as Alaskans? Imagine being in a room with the legislatures that voted on TAPS. If we said we wanted to build a small line to ship oil to a refinery close to Anchorage so that we could have cheaper gasoline. Think of how bad a statement that is. Right now we are dependent on our pipeline and its volume is diminishing. We need to make money, not just spend it. Don't spend our money to appease a few, spend it because we will make a return on our investment.

I would like to believe that my legislatures are better than this.

The bullet line will not have liquid by product(butane, propane, and even plastic) A small volume line would simply be a large cost for natural gas and that is all it would be.

I spent 13 years in Prudhoe Bay, drilling for oil. If you hit gas you had a problem. There is just too much of it. Wouldn't it be great to just drill and you if you hit gas you ship it down one line, if you hit oil, down another. It all goes into a separator then down the correct line. I have seen the 12 foot wide flare tip at Endicott island go 200 feet high for days. How could selling that gas be a bad thing.

Here's another one, we want to study it more. How can anything be cheaper than going down the existing corridor. Nothing could be. We have experience along that route and we will only do it better this time.

Alaskans used to do for themselves, now we wait to see if the oil companies will do it for us. With the financial situation in the lower 48, they aren't going to do anything for us. The USA and its financial debts are no secret. We can't rely on them for funding any longer. We must rely on our own resources. We must develop them for the benefit of *all* Alaskans.

Sincerely,

Manny Escobedo

April 8, 2013

My name is Dorothy Moore, 346 Nabesna Valdez, AK 99686. I am a retired Alaskan trying to stay in my home.

I have been following HB 4 and have read in detail the original bill.

I have tried to follow the changes and while some are favorable in my opinion. I still have problems with:

1. The economical/financial statement.
2. The cost to future Alaskans I believe will be much higher than currently to those who are fortunate to have natural gas.
3. The plan seems to only propose to help only those in the more highly populated areas. Any solution should help all Alaskans
4. I believe there will be only one pipeline built.
- 5 There is no export component to reduce the cost to Alaskans

This bill does not use the valuable liquids. This is part of the formula needed to make gas more reasonable or at least affordable.

It only gets us to a third open season. Why do we not know what happened to the other two (2) open seasons?

Please let this bill receive more scrutiny by all Alaskans instead of rushing it through.

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