

ALASKA STATE LEGISLATURE

SESSION

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SENATOR MIA COSTELLO

SPONSOR STATEMENT

Senate Bill 125

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“An Act adding legislative nonvoting members to the board of directors of the Alaska Gasline Development Corporation.”

Senate Bill 125 enhances the membership of the Board of Directors of Alaska Gasline Development Corporation (AGDC). The bill adds three legislators as non-voting members to the board and ensures the board’s composition is consistent with the Legislature’s intent in passing enabling legislation for a gasline project (Senate Bill 138 – SLA 2014). Under Senate Bill 125, four of the five public AGDC board members would have expertise in natural gas pipeline construction, operation and marketing; finance; large project management; or other experience relevant to the purpose and duties of AGDC.

As the AKLNG project moves forward, the State of Alaska will face increasingly complex financing and policy decisions. AGDC is the state’s primary representative in the project and will be a focal point for these discussions in the coming years. It is essential the state have a transparent, clear decision making process in place. Senate Bill 125 helps accomplish this by giving all parties a seat at the table.

The AGDC Board of Directors currently consists of five public members appointed by the Governor, and two commissioners of state departments. The commissioners for the Department of Revenue and Department of Natural Resources are prohibited from serving on the board. Having legislators participate in a non-voting capacity adds experience and continuity to the board. Legislators understand the type of budget decisions that will be needed to meet the state’s cash calls for a gasline project, and would provide perspective and insight to the board.

Alaska State Legislators currently serve on over a dozen state commissions, including the boards of directors of state corporations. Notable examples include the Knik Arm Bridge & Toll Authority, the Alaska Aerospace Corporation, and the board of the Alaska Seafood Marketing Institute.

AGDC will have a vital role in the development of the AKLNG project. Adding legislators to AGDC Board of Directors is a natural next step in the state’s decision making process for the AKLNG project. Senate Bill 125 diversifies and strengthens the board in advance of the important policy calls the State of Alaska will be facing in the near future.

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