

HOUSE JOINT RESOLUTION NO. 35

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON OIL AND GAS

Introduced: 4/10/97

Referred: Resources

A RESOLUTION

1 Encouraging federal legislation to improve federal fiscal terms for a trans-Alaska
2 gas pipeline.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 WHEREAS Alaska's North Slope, including the Prudhoe Bay and Point Thomson oil
5 and gas fields, hold at least 35 trillion cubic feet of proven natural gas reserves, an amount
6 sufficient to supply a large natural gas export project in the state; and

7 WHEREAS companies operating in the state, including permit holders, oil and gas
8 leaseholders, and other parties, have indicated an interest in investing in a trans-Alaska gas
9 pipeline if it is economically feasible; and

10 WHEREAS a study recently commissioned by the State of Alaska prepared by Dr.
11 Pedro Van Meurs indicates that the project economics could be substantially improved through
12 changes in federal tax laws related to this project; and

13 WHEREAS the United States Congress recently passed similar tax changes to
14 facilitate development of frontier deep water oil and gas development in the Gulf of Mexico;
15 and

16 WHEREAS Dr. Van Meurs' report estimated federal tax revenues under the current

1 structure to be \$26,000,000,000, none of which will be realized if the project is not completed;
2 and

3 **WHEREAS** there would be substantial additional benefits to the United States from
4 the project, including increased employment opportunities across the nation and an improved
5 trade balance with Asian countries; and

6 **WHEREAS** liquefied natural gas projects proposed for other countries are competing
7 to meet the Asian market demand for liquefied natural gas in the 2005 to 2010 market window
8 and could displace the Alaska project;

9 **BE IT RESOLVED** that the Alaska State Legislature respectfully requests the United
10 States Congress to enact tax legislation that would improve the economics and likelihood of
11 an Alaska liquefied natural gas export project; and be it

12 **FURTHER RESOLVED** that the Alaska State Legislature respectfully requests the
13 Governor to use his best efforts to support passage of this federal legislation.

14 **COPIES** of this resolution shall be sent to the Honorable Ted Stevens and the
15 Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S.
16 Representative, members of the Alaska delegation in Congress.