

SENATE CONCURRENT RESOLUTION NO. 14

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE

Introduced: 5/1/01

Referred: Rules

A RESOLUTION

1 **Establishing the Joint Committee on Natural Gas Pipelines.**

2 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 **WHEREAS** the North Slope of Alaska contains approximately 35 trillion cubic feet
4 of known natural gas reserves and in excess of 100 trillion cubic feet of estimated natural gas
5 resources; and

6 **WHEREAS** demand for natural gas in the lower 48 states is expected to experience
7 record growth, rising from approximately 22 trillion cubic feet a year in 2000 to 30 to 35
8 trillion cubic feet a year in 2020; and

9 **WHEREAS** demand for liquefied natural gas in Asia and the Pacific is also expected
10 to experience significant growth; and

11 **WHEREAS** demand for natural gas exists in the state, and, if a natural gas pipeline
12 were built through Alaska along a southern route, many communities in the state could be
13 supplied with natural gas; and

14 **WHEREAS** Alaska's North Slope natural gas is attractive to all of these markets; and

15 **WHEREAS** improved economics and technological advances have removed
16 previously perceived barriers to the commercialization of Alaska's North Slope natural gas;

1 and

2 **WHEREAS** it is widely recognized that maximum benefit to Alaskans from the
3 commercialization of North Slope natural gas lies in market exposure for Alaska North Slope
4 gas reserves, opportunities for in-state use of the natural gas and for participation by Alaskans
5 in construction, maintenance, and operation of the gas pipeline transportation project, and the
6 recovery of revenue by the state from the development, transport, and sale of Alaska North
7 Slope gas reserves; and

8 **WHEREAS** the North Slope Natural Gas Pipeline Group, composed of BP Alaska,
9 Exxon Mobil, and Phillips Petroleum, is spending \$75,000,000 this year to study various
10 routes and intends to file an application to transport natural gas from Alaska with the Federal
11 Energy Regulatory Commission and the Canadian National Energy Board by the end of 2001;
12 and

13 **WHEREAS** other entities, including Foothills Pipe Lines, Ltd., Yukon Pacific
14 Corporation, and Alaska Gasline Port Authority, are in various stages of rapidly developing a
15 natural gas pipeline; and

16 **WHEREAS** the best interests of the North Slope Natural Gas Pipeline Group and the
17 other entities may or may not be compatible with the best interests of the state; and

18 **WHEREAS** the governor has expressed a preference for expedited consideration and
19 development of a natural gas pipeline along the Alaska Highway route and has requested and
20 received funds to conduct various studies regarding a natural gas pipeline, including the study
21 of in-state natural gas demand, natural gas supply, a natural gas fiscal system, and the effect
22 of natural gas sales on the Prudhoe Bay reservoir; and

23 **WHEREAS** the legislature has introduced a bill that requires the Department of
24 Revenue to contract with an expert to study state ownership and financing of a natural gas
25 pipeline, to issue a report by January 2002, and to meet with and share data with the
26 legislature during the interim; and

27 **WHEREAS** the governor has established a Natural Gas Pipeline Policy Council that
28 includes the president of the senate and the speaker of the house of representatives and that
29 shall meet during the interim between legislative sessions and provide recommendations and a
30 final report by November 2001; and

31 **WHEREAS** several items are pending in the United States and Canada, including a

1 bill in the United States Congress entitled the National Energy Security Act of 2001, the
2 President's national energy policy, and similar action in Ottawa, that are expected to affect the
3 development of Alaska's North Slope gas resources and that could be advanced during the
4 interim; and

5 **WHEREAS** the Alaska State Legislature supports the commercialization of Alaska
6 North Slope gas for the maximum benefit of the people of the state; and

7 **WHEREAS**, given the importance of a natural gas pipeline system and that the
8 regime by which it is developed will have significant and lasting effects on the future of gas
9 development within the state and on future state revenues, it is imperative that the
10 administration and the Alaska State Legislature conduct a comprehensive, expedited review
11 of the effects of a trans Alaska pipeline on the state and its people;

12 **BE IT RESOLVED** by the Alaska State Legislature that a Joint Committee on
13 Natural Gas Pipelines is established to

14 (1) study issues relating to the proposed gas pipeline and collect information;
15 the committee may hold hearings, if the committee considers hearings desirable and may
16 compel attendance by subpoena if necessary;

17 (2) hire consultants and experts;

18 (3) work with the federal and Canadian governments and agencies, the
19 governor, the governor's staff, and outside consultants and experts; and

20 (4) take whatever action may be appropriate to ensure that the best interests of
21 the state are protected; and be it

22 **FURTHER RESOLVED** that the Joint Committee on Natural Gas Pipelines shall
23 consider what legislation should be adopted during the Second Regular Session of the
24 Twenty-Second Alaska State Legislature to enhance the best interests of the state and shall
25 report to the legislature on any recommended action within 15 days after the Second Regular
26 Session convenes; and be it

27 **FURTHER RESOLVED** that the president of the senate and the speaker of the house
28 of representatives shall jointly determine the number of senators and representatives to be
29 members of the committee, appoint the committee members, and jointly designate a member
30 to chair the committee; and be it

31 **FURTHER RESOLVED** that the Joint Committee on Natural Gas Pipelines may

- 1 meet during and between sessions of the Twenty-Second Alaska State Legislature and is
- 2 terminated on the convening of the First Regular Session of the Twenty-Third Alaska State
- 3 Legislature.