

**Malcolm B. Roberts**  
2001 Churchill Drive  
Anchorage, AK 99517  
(907) 277-5282 - [mbroberts@gci.net](mailto:mbroberts@gci.net)

Testimony for the Senate Natural Resources Committee hearing August 17, 2011 - LIO  
Office, Anchorage, AK

---

Mr. Chairman and Members of the Committee:

Good afternoon. My name is Malcolm Roberts and I am testifying on behalf of myself.

For 40 years, on and off, I worked with the late Governor Wally Hickel – when he was Interior Secretary, Governor and in between

Through his passionate interest in the natural gas pipeline, I have followed this issue since 1981 when Commonwealth North did its first study on how to get North Slope natural gas to market.

Shortly thereafter, Governor Hammond named Wally and former Governor Bill Egan to chair a state study to look at this issue.

It was then that Governor Hickel became a passionate supporter of building a pipeline from Prudhoe Bay to Valdez where our vast gas resources can be condensed into Liquefied Natural Gas and shipped to the world's most lucrative markets.

In 30 years of working on this issue, I have come to the conclusion that the three major producers want to ship our gas into Canada to use our valuable gas liquids to feed their Alberta petrochemical complex and/or use it to "cook" the tar sands to produce synthetic oil.

If that's not possible, they are content to warehouse our gas so it won't compete with their many other investments in LNG worldwide.

These uses of OUR natural gas will benefit their stockholders. However, they are not in the best interest of the Alaska people.

Since the former governors just mentioned have all passed on, there seem to be few Alaskans in public office who understand the Owner State.

However, I heard this morning several comments from the members of this Committee confirming your understanding of Alaska's unique ownership right and obligations...

...and your commitment to set policy and negotiate on behalf of our people based on that understanding.

The Owner State is a concept that is truly unique for a democracy and something of a model for the world.

For those not familiar with the term, it is based on Article 8 of our Constitution which says that our natural resources must be conserved and developed for the maximum benefit of the people.

This Article was the foundation and justification for Governor Hammond's creation of the Permanent Fund Dividend.

It's worth noting that worldwide there are 65 "sovereign wealth funds" – the name used by the financial world for what we call our permanent fund.

But Alaska's is the only one of the 65 sovereign wealth funds that distributes an annual Dividend to its residents.

Why? Because our governors and our legislators, as illustrated today, have determined that the people of Alaska are indeed the owners of our 103 million acres of land and the resources they contain.

Wally called it the Owner State. Jay referred to the Owner People.

Same difference.

So, when our government is wise enough to put our resources to work through exploration and development at the North Slope, Cook Inlet and elsewhere, a portion of the earnings from those activities will be distributed to our residents.

Over the years, some of ~~elected~~ our elected officials have had difficulty understanding the Owner State, but the Alaska people have not.

That was illustrated by over 60% favorable 2002 vote on Proposition 3 that created in statute in Alaska Law (AS Sec. 41.41.010) mandating that the State build and own an All-Alaska gasline to tidewater.

Now, nearly a decade later, that law has been ignored, thwarted and violated.

Why? I ask YOU that question.

I believe both our state leaders and our president Obama are ignoring the largest and most beneficial shovel-ready infrastructure project available in America today. The All-Alaska gasline will create tens of thousands of jobs in-state and many times that many across the nation.

It will kick off additional exploration of the North Slope and offshore that can add to the vast natural gas resources available to us which the USGS has estimated to be in the range of 200 trillion cubic feet.

That exploration, by the way, as mentioned here today will most likely discover a lot more oil as well, and we can stop wringing our hands about the diminishing flow rate in TAPS.

Finally, I believe that the All-Alaska natural gasline project is one of the greatest environmental opportunities available worldwide at this time.

An associate of mine in Hong Kong has recently translated Governor Hickel's book, *Crisis in the Commons – The Alaska Solution* into both Cantonese and Mandarin. And it is slated for publication within the year.

Why do the Chinese want to read about Alaska's Owner State?

Because they have awakened to the environmental crisis.

...something they have ignored as they helped some 300 million of their countrymen work their way out of poverty in the last 30 years.

Just prior to the Beijing Olympics, I accompanied Governor Hickel and several legislators (none present) on a trade mission to China where we discovered

1. A keen interest in Alaska LNG.
2. A recognition of the serious pollution problems currently facing China.

Since then, China which has surpassed the USA as the world's number one polluter.

And, as you know, Alaska's LNG is 99% pollution free.

Ladies and gentlemen, Alaska is one of the most fortunate states in the country, indeed in the world.

It's time that we step forward nationally and internationally as an Owner State *of the people, by the people, and for the people* that is truly a model for the world.

And the way to show it is not just talk. The way to prove it is to stop waiting for someone else to get the job done.

Let's act as the Owners we are, and build and <sup>own</sup> ~~finance~~ an All-Alaska gasline. It's an opportunity we mustn't let slip through our fingers.

Thank you

*correction by  
MBR*