

Chair, Judiciary
Chair, Economic Development,
Trade & Tourism
Energy
Military & Veteran Affairs
Joint Armed Services
1292 Sadler Way, Suite 324
Fairbanks, Alaska 99701
Phone: (907) 452-1088
Fax: (907) 452-1146

Alaska State Legislature House of Representatives



While in Session
State Capitol, Room 118
Juneau, Alaska 99801-1182
(907) 465- 3004
Fax: (907) 465-2070
Toll Free: (877) 465-3004

Representative Jay Ramras
District 10

Sponsor Statement for House Concurrent Resolution No. 3

Short Title: IN-STATE GAS PIPELINE

Contact: Margaret Dowling, 465-6841

Intent and Purpose HCR 3

The intent of House Concurrent Resolution No. 3 is to provide energy security for Alaskans by encouraging the Governor to take the lead in expediting reopening of Agrium U.S., Inc.; a facility that processes natural gas into urea fertilizer and other consumables. Reopening Agrium ensures a steady demand for natural gas that will enhance the economic viability of a gas bullet line, which will in turn benefit all Alaskans by providing certainty of supply and predictability of price for gas consumers.

The intent of HCR 3 is also to support the Alaska farming industry. Farms cover more than 25,000 acres in five boroughs with more than 300 farmers residing in the Matanuska-Susitna Borough and more than 130 farmers in the Fairbanks area. The value of those farms is approximately \$22,700,000. Agrium U.S., Inc. was the only urea fertilizer plant in the state. After it closed in 2007, because it lacked sufficient supplies of natural gas with which to manufacture fertilizer, farmers in Alaska experienced a 400% increase in the cost of fertilizer and the Alaskan job market lost over 150 jobs. Reopening Agrium will not only help increase the economic viability of a natural gas line, it will create jobs and reduce the cost of farming in Alaska.

Summary HCR 3:

- Requests that the Governor provide energy security for all Alaskans by taking action necessary to support the development of a natural gas pipeline that will deliver natural gas from the North Slope to Cook Inlet.
- Requests that the Governor initiate negotiations to reopen the Agrium U.S., Inc. facility, which closed in 2007 and which was a consumer of natural gas used in the production of fertilizer.

Benefits HCR 3:

- Secures an adequate supply of affordable natural gas for residential and industrial consumers from the North Slope to Cook Inlet.
- By reopening Agrium, demand for natural gas will be insured enhancing the economic viability of a natural gas bullet line, which in turn benefits Alaskans by providing certainty of supply and predictability of price for gas consumers along the bullet line route.
- Supports Alaska's farming industry by providing a local, cost competitive source of fertilizer.
- Increases jobs for Alaskans and state and local revenue.