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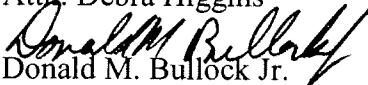
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MEMORANDUM

April 13, 2009

SUBJECT: ANGDA, CSHB 163(RES), Draft Version "R"
(Work Order No. 26-GH1057\R)

TO: Representative Craig Johnson
Co-Chair of the House Resources Committee
Attn: Debra Higgins

FROM: 
Donald M. Bullock Jr.
Legislative Counsel

Enclosed is a draft of CSHB 163(RES) that incorporates the conceptual amendments offered in your committee. This draft incorporates the conceptual amendment when appropriate within the context of the bill.

HB 163 addresses the route for a gas pipeline project developed by the Alaska Natural Gas Development Authority (ANGDA) as well as where the gas to be transported in the pipeline is produced. The amendment to AS 41.41.010(a) in sec. 1 of HB 163 appears to address the route for an ANGDA project; under current law, the purpose is to transport "from the North Slope" to market." In HB 163, the amendment to AS 41.41.010(a) would allow ANGDA to develop a project that could bring gas from the North Slope *or* other regions of the state, basically from anywhere in the state. By adding "outer continental shelf" in this context, the authority would seem to have acquired the authority to build a pipeline to the outer continental shelf. I do not believe that was the intent of the conceptual amendment; if this is incorrect, I can correct this in the final.

The amendment in sec. 1 of HB 163 to AS 41.41.010(a)(1) removes the reference to "North Slope" and authorizes ANGDA to acquire and condition natural gas without regard to the source of the gas. This provision would allow for the acquisition of gas from the outer continental shelf or anywhere else for transport in the project developed by ANGDA.

The conceptual amendments seem to address the source of gas to be put into the ANGDA pipeline project, as opposed to the route. The amendment to AS 41.41.010(d) in sec. 2 of this draft, addresses the source of gas that may be transported, and adding the outer continental shelf in this context recognizes that gas as gas that may be transported in the ANGDA project.

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Similarly, the amendment to the definition for "project" in AS 41.41.990(3) by sec. 2 of HB 163 addresses route and not the source of gas for the project. There is no change between sec. 3 of HB 163 and sec. 3 of this draft.

If the enclosed draft CSHB 163(RES) is inconsistent with the intent of the conceptual amendment, please let me know so that the bill may be rewritten to conform to the committee's intent.

DMB:plm
09-273.plm

Enclosure