



MATANUSKA-SUSITNA BOROUGH

Office of the Mayor

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January 23, 2012

The Honorable Mike Chenault
Alaska State Capitol
Room 208
Juneau, AK 99801

Dear Mr. Chenault:

We have entered very exciting times for our state. I, like you, desire to bring about a change that will benefit all Alaskans. Please find attached Resolution 12-003 which passed the Matanuska-Susitna Borough Assembly by unanimous consent on Tuesday, January 17, 2012.

There are great opportunities within the complex issues surrounding the delivery of natural gas. We are encouraging you to consider the efficiencies and future strategic result of delivering high volumes at a competitive price. By combining the concept of the ASAP "bullet" line with the larger Trans Canada AGIA project, we believe that Alaska can compete on the world market. This combination would drive down energy costs for our current and future businesses and our residents, serving as an economic engine of both local and international importance. As you know, Port MacKenzie is ready and available to serve in the delivery of that gas to the existing Cook Inlet gas infrastructure.

Please feel free to contact us as you move ahead. We stand ready to assist and facilitate in any way we are able.

Sincerely,

Mayor Larry DeVilbiss

Attachment: RESO 12-003

LD:cv

Sponsored by: Mayor DeVilbiss
Adopted: 01/17/12

**MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 12-003**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY ENCOURAGING THE GOVERNOR AND LEGISLATURE OF THE STATE OF ALASKA TOWARD PROACTIVE NATURAL GAS DEVELOPMENT FOR THE BENEFIT OF ALL ALASKANS.

WHEREAS, the Cook Inlet region has been blessed with decades of cheap natural gas; and

WHEREAS, natural gas has heated homes at a fraction of the cost of other energy sources; and

WHEREAS, this below global market value gas has spawned industries such as urea fertilizer production for domestic use and export, and one of the Nation's first liquefied natural gas export plants; and

WHEREAS, Cook Inlet natural gas has powered electric power production for decades; and

WHEREAS, we now know that the abundant, below market value, developed gas in the Cook Inlet region is close to the end of its ability to handle peak loads; and

WHEREAS, the Alaska State Legislature initiated an effort to bring North Slope gas to the Railbelt; and

WHEREAS the Donlin Creek mine project is poised to invest approximately one billion dollars into a gas line from the Cook Inlet gas infrastructure to the Bethel region; and

WHEREAS, the Matanuska-Susitna Borough Port Commission passed a resolution supporting the Alaska Stand Alone Pipeline gas bullet line on Dec 15, 2008; and

WHEREAS, Port McKenzie with its rail extension permitted and under construction will attract high volumes of natural resources that could be further developed prior to export from our deep water port given a source of cheap energy; and

WHEREAS, the state of Alaska has invested heavily in the Alaska Gasline Inducement Act via the Trans Canada gas line project; and

WHEREAS, the North American market conditions have diminished the current viability of an Alaskan gas line through Canada; and

WHEREAS, the Governor announced in October 2011 his intentions to develop the Trans-Canada option of bringing gas to tidewater; and

WHEREAS, the higher volumes of the proposed Trans-Canada gas line brings to us the possibility of gas that is competitive on the world market; and

WHEREAS, Alaska Stand Alone Pipeline cost projections suggests a product that would cost as much or more than imported liquid natural gas.

NOW, THEREFORE, BE IT RESOLVED, the Mayor and Assembly of the Matanuska-Susitna Borough urge the Governor of the state of Alaska and the Alaska State Legislature to consider the following as the options and investment into our future energy needs are considered:

1. Combining the concepts of the Alaska Stand Alone Pipeline and the Alaska Gasline Inducement Act could generate enormous efficiencies and save in state development investment


2. Delivering high volume, globally competitive gas to Cook Inlet that:

- a. serves over half the population of the state of Alaska with residential and commercial natural gas needs;
- b. plugs into existing infrastructure that serves both domestic and export needs for liquefied natural gas and fertilizer;
- c. makes viable on the world market numerous value added developments prior to export;
- d. eliminates the requirement to import liquefied natural gas;
- e. keeps Alaska competitive with world markets in everything derived from natural gas;
- f. eliminates the need for new liquefied natural gas facilities at other tidewater locations;
- g. combines international and local economics in a way that builds Alaska's economy rather than just exporting a natural resource;
- h. gets gas and economic power to the Yukon-Kuskokwim Delta area.


3. Notwithstanding new gas development in Cook Inlet, concentrating North Slope gas in the center of the State's population, and existing and future gas infrastructure expands

the local and international options and extends the life of that development for many decades if not hundreds of years.

ADOPTED by the Matanuska-Susitna Borough Assembly this 17 day of January, 2012.


LARRY DeVLBISS, Borough Mayor

ATTEST:


LONNIE McKECHNIE, CMC, Borough Clerk

(SEAL)

PASSED UNANIMOUSLY: Keogh, Woods, Arvin, Colligan, Salmon, Colver, and Halter