

Sean Parnell GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 25, 2013

ADMINISTRATIVE ORDER NO. 269

I, Sean Parnell, Governor of the State of Alaska, under the authority of Article III, Sections 1 and 24 of the Alaska Constitution, and in accordance with AS 44.19.145(c), establish the Municipal Advisory Gas Project Review Board.

PURPOSE

The State has enjoyed many economic benefits due to the commercialization of North Slope oil, including employment in the oil and gas industry, production, income and property taxes and royalties, and development of infrastructure. The continuing bright future of oil and gas development in the state is of vital public interest, especially the development and commercialization of North Slope natural gas. In order to support success in the commercialization of North Slope natural gas, there is a need to understand the potential impact and benefits of a major natural gas project on communities throughout the state.

The purpose of the Municipal Advisory Gas Project Review Board is to develop a framework to evaluate the effects and issues that will arise in the future concerning development of the State's abundant North Slope natural gas resources and the newly created infrastructure to make those resources available to customers throughout the state and markets worldwide.

COMPOSITION AND CHAIR OF BOARD

The Municipal Advisory Gas Project Review Board consists of 12 members who are appointed by the Governor and serve at the pleasure of the Governor. Each member of the Board shall serve a term of one year and may be reappointed to the Board.

The members of the Municipal Advisory Gas Project Review Board shall include:

- 1. The Commissioner of the Department of Revenue or the Commissioner's designee;
- 2. The Commissioner of the Department of Natural Resources or the Commissioner's designee;

- 3. The Commissioner of the Department of Commerce, Community, and Economic Development or the Commissioner's designee;
- 4. Six public members consisting of the mayor, or the mayor's designee, one from each of the following areas: the North Slope Borough, the Fairbanks North Star Borough, the Denali Borough, the Matanuska-Susitna Borough, the Municipality of Anchorage, and the Kenai Peninsula Borough;
- 5. One member of an organization representing the interest of municipalities in the state, regardless of where that person resides in the state; and
- 6. One member of an organization representing the interest of municipalities in the state, regardless of where that person resides in the state; and
- 7. Two members of the public in the state who do not reside in the North Slope Borough, the Fairbanks North Star Borough, the Denali Borough, the Matanuska-Susitna Borough, the Municipality of Anchorage, or the Kenai Peninsula Borough.

The Commissioner of the Department of Revenue or the Commissioner's designee serves as the chair of the Municipal Advisory Gas Project Review Board.

DUTIES AND RESPONSIBILITES

The Municipal Advisory Gas Project Review Board shall review available information, hold public meetings and, provide annual reports by December 15 of each year to the Governor that include:

- 1. The potential impact and benefits of new infrastructure for North Slope natural gas development, whether designed to provide natural gas for in-state sale or for export, or both, on communities in the state, including consideration of tax structure under AS 29.45 and AS 43.56, and consideration of other payments before construction of new infrastructure associated with North Slope natural gas development;
- 2. Recommendations for changes to the oil and gas exploration, production, and pipeline transportation property taxes under AS 43.56 related to infrastructure for commercialization of natural gas that would facilitate development of a major natural gas project and mitigate financial impacts to communities affected by development of a North Slope natural gas project;
- 3. Recommendations for changes to the oil and gas exploration, production, and pipeline transportation property taxes under AS 43.56 related to infrastructure for commercialization of natural gas that would facilitate development of a major natural gas project and mitigate financial impacts to communities affected by development of a North Slope natural gas project;
- 4. Recommendations for changes to AS 29.45.080 related to the commercialization of natural gas that would facilitate development of a North Slope natural gas project and

mitigate financial impacts to communities affected by a North Slope natural gas project;

- 5. Recommendations for legislative or other options to minimize the financial impact to communities in proximity to North Slope natural gas project infrastructure during construction of a natural gas pipeline and associated infrastructure; and
- 6. Recommendations on the impact and benefits to communities not in proximity to a North Slope natural gas project.

ADMINISTRATIVE SUPPORT

Consistent with law and available appropriations, the Department of Revenue shall provide administrative support for the Municipal Advisory Gas Project Review Board using existing personnel and monetary resources. The Department of Revenue and other State agencies are not required to create new information in response to a request of the Municipal Advisory Gas Project Review Board.

GENERAL PROVISIONS

Members of the Municipal Advisory Gas Project Review Board receive no compensation for service on the Board, but are entitled to per diem and travel expenses in the same manner permitted for members of State boards and commissions.

The Board may use teleconferencing or other electronic means, to the extent practicable, in order to gain the widest public participation at minimum cost.

The Municipal Advisory Gas Project Review Board has access to public records under AS 40.25.110 - 40.25.220. The exceptions of AS 40.25.120 apply to the request.

The meetings of the Municipal Advisory Gas Project Review Board shall be conducted in accordance with AS 44.62.310 - 44.62.319 (Open Meetings Act). The Board shall meet at the date and time set by the Commissioner of the Department of Revenue or the Commissioner's designee, but at least once in a calendar year. A majority of members constitutes a quorum for conducting business.

Records of the Municipal Advisory Gas Project Review Board are subject to inspection and copying as public records under AS 40.25.110 - 40.25.220.

This Order takes effect immediately.

Dated at Juneau, Alaska, this 25th day of March, 2014

/s/Sean Parnell Governor

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