

From: Lynn Willis
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April 12, 2104

To: Alaska Legislature
House Finance Committee

Testimony regarding SB 138

I am a residential consumer of Natural Gas representing myself. My concerns are for a reliable and affordable supply of gas. I would urge you to remember that Dan Fauske of AGDC/ASAP has stated that once the cost of the ASAP pipeline project exceeds the cost of importing LNG he will consider himself to be on a "fools errand". If you don't understand this legislation and insure you control the state's interests to minimize the risk to the people of Alaska you may well take the current and future generations of Alaskans on a fool's errand to a much larger degree. I urge you to take the counsel of legislative attorney Mr. Bullock to not pass this bill if you don't understand it. If you close the opportunity to invoke clear legislative intent now what mechanism will you have to efficiently deal with the subsequent contract offers?

I am sure you have hired the best and the brightest consultants to evaluate this proposition; however, didn't you do that with AGIA? Now six years later after creation of AGIA with over 300 million dollars gone from the state treasury and with at least 130 million more owed to Trans Canada we have neither an inch of pipe purchased nor any application from any producer to AOGCC for release of a single molecule of gas.

We have spent how much on the "Cook Inlet Renaissance" for supply contracts through 2018? We have spent how much on the AGDC/ASAP project which now seems about to be abandoned for this AKLNG project. AGIA is still restricting volume limits for the AGDC/ASAP project. We won't even consolidate our natural gas demands in the rail belt region as we pursue trucking LNG into Fairbanks. Aren't we now competing with the Cook Inlet gas producers and haven't we created the almost unbelievable situation where, to various degrees, we are expending state funds to pay for three pipe line efforts at the same time (AGIA, AGDC/ASAP, and AKLNG).

Why aren't you asking how long ago did the current AGIA project to Alberta become uneconomical? Who is conducting and reviewing the depletion studies that might support release of gas from the North Slope to both insure a maximum production of oil while allowing this project?

Testimony regarding SB 138 (L. Willis April 12, 2014)

If the House emulates the Senate, this Legislation will become law before all the questions have been answered. Soon we will be in what I describe as pre-election pre-feed and once again hopes of Alaskans will rise.

If for no other reason, you should be extremely cautious in your deliberations because we are now in deficit spending. I would like to remind you that we live in a sovereign not an investment bank.

As you proceed toward passage of SB 138 please reflect on testimony from Professor Emeritus Scott Goldsmith who has long been associated with the University of Alaska Institute of Social and Economic Research (ISER). Professor Goldsmith was testifying as a private citizen on March 25th (at 73:10) before Senate Finance. At that hearing, Professor Goldsmith stated that we are now drawing down our cash reserves at a rate of about 7 million dollars per day.

At that rate of spending we will soon enough not be able to afford business as usual in State Government including passing legislation that might cost us millions of dollars just for testing the viability of the AKLNG project as currently envisioned. We need to learn as much as we can, including exploring our options, before passage of SB 138. Thank you.

Lynn Willis

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WRITTEN TESTIMONY

NAME: Bro. Tom Patmor
REPRESENTING: People of Alaska
BILL # or SUBJECT: SB 138 Gas Pipeline
COMMITTEE: House Finance DATE: 4/12/2014

Along with what I already said I'd like to remind you that originally the oil pipeline was estimated to cost Nine Hundred & some million dollars, it ended up costing over 8 Billion, thats a 10 fold increase. So at that rate our cost for the Gas line could jump to \$200,000,000,000, two Hundred Billion our state can't afford that mach money but then again were' used to wasting money on Big dollar projects. What I foresee happening is that sooner or later during construction 1 or more of the oil companies will back out leaving the State with the problem. - Do we come up with an expensive solution to finish the line or do we just abandone it like we have other projects