

STATE CAPITOL
P.O. Box 110001
Juneau, AK 99811-0001
907-465-3500
fax: 907-465-3532



550 West Seventh Avenue, Suite 1700
Anchorage, AK 99501
907-269-7450
fax 907-269-7461
www.Gov.Alaska.Gov
Governor@Alaska.Gov

Governor Bill Walker
STATE OF ALASKA

October 30, 2015

Dear Members of the 29th Alaska State Legislature:

In response to questions that have emerged as part of this Special Session, I wish to provide clarity on: "who's in charge?" and "where does the authority for gas marketing lie?"

This process was already in place when this administration took office, as was a vast majority of the organizational chart. While we have made minor adjustments, we expect that following the buyout of TransCanada's interest in the project we may make further changes within the confines of SB 138.

I recognize and support the Alaska Gasline Development Corporation's (AGDC) responsibilities, which are statutorily authorized in AS 31.25.080(a)(23) around ownership interests and AS 31.25.005 (1), (5) regarding infrastructure and services. A legal memo has been shared with the Legislature, and is again enclosed herein, that makes clear AGDC has the authority to acquire and hold TransCanada's interest in the AKLNG Project.

What is also clear in statute (AS 38.05.020), is the authority of the Department of Natural Resources around Gas Marketing and the State's share of royalty and tax gas. I fully support the Department of Natural Resources' and the Department of Revenue's authorities and obligations to negotiate the associated commercial agreements and dispose of the gas from an LNG export project, as identified in statute. The Department of Natural Resources currently markets the State's Royalty Oil and, in consultation with the Department of Revenue, will make the determination on how the State's Royalty and Tax Gas will be marketed.

Also attached is a letter from Commissioner Myers at the Department of Natural Resources regarding the transfer of interest from TransCanada to AGDC.

Finally I wish to clarify that as the Chief Executive and Governor, I am the person in charge of the Executive Branch responsibilities associated with the AKLNG Project.

I want to thank each of you for your hard work during this special session to advance the gasline.

Sincerely,

A handwritten signature in blue ink that reads "Bill Walker".

Bill Walker
Governor

Enclosure: Memorandum on AGDC Authority 10-26-15
AGDC Transfer Letter from DNR