

# Alaska State Legislature

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## REPRESENTATIVE MIKE CHENAULT SPEAKER OF THE ALASKA STATE HOUSE SPONSOR STATEMENT

**House Bill 282:** *"An Act relating to the board of directors of the Alaska Gasline Development Corporation; adding legislators as nonvoting members of the board of directors of the Alaska Gasline Development Corporation; and providing for an effective date."*

House Bill 282 has two main provisions. The first adds two legislators as non-voting members to the Alaska Gasline Development Corporation's (AGDC) Board of Directors. The second provision amends AS 31.25.020(b), and requires the Governor to appoint four of the five AGDC board members that have experience and expertise in natural gas pipeline construction, operation and marketing; finance; large project management; or, other expertise and experience that is relevant to the purpose, powers and duties of AGDC. One of the board appointees is not required to have the expertise previously outlined in this paragraph. The original language established under Senate Bill 138 for board member appointment qualifications was permissive. The board consists of five public members and two departmental commissioners. The commissioners of the Departments of Revenue and Natural Resources are prohibited from serving on the AGDC board.

The original intent of House Bill 369, House Bill 4, House Bill 9 and Senate Bill 138 was to have a board free from political interference and influence and to make decisions based on the state's and AGDC's best interests. However, this has changed in the past few years. Most of the board members, whom I respect, do not have the qualifications of previous board members nor have the expertise that was sought under Senate Bill 138. Once Pre-FEED is completed and if the decision is made to advance to FEED, it is imperative the board be comprised of members that provide best expertise available. The Governor has stated in requesting the resignation of the original President of AGDC that the executive of the corporation have the ability to take AGDC to the next level, the same should be true of the board.

Adding a House and a Senate member as non-voting members will provide the board an understanding of the type of budget decisions needed to advance a gasline. Also, the two non-voting legislative members will also provide perspective and insight to the board as well as giving legislators a better understanding of the issues facing the board.