

STATE OF ALASKA
THE LEGISLATURE

1997

Source
HJR 35

Legislative
Resolve No.
38



Encouraging federal legislation to improve federal fiscal terms for a trans-Alaska gas pipeline.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS Alaska's North Slope, including the Prudhoe Bay and Point Thomson oil and gas fields, hold at least 35 trillion cubic feet of proven natural gas reserves, an amount sufficient to supply a large natural gas export project in the state; and

WHEREAS companies operating in the state, including permit holders, oil and gas leaseholders, and other parties, have indicated an interest in investing in a trans-Alaska gas pipeline if it is economically feasible; and

WHEREAS a study recently commissioned by the State of Alaska prepared by Dr. Pedro Van Meurs indicates that the project economics could be substantially improved through changes in federal tax laws related to this project; and

WHEREAS the United States Congress recently passed similar tax changes to facilitate development of frontier deep water oil and gas development in the Gulf of Mexico; and

WHEREAS Dr. Van Meurs' report estimated federal tax revenues under the current structure to be \$26,000,000,000, none of which will be realized if the project is not completed; and

WHEREAS there would be substantial additional benefits to the United States from the project, including increased employment opportunities across the nation and an improved trade balance with Asian countries; and

WHEREAS liquefied natural gas projects proposed for other countries are competing to meet the Asian market demand for liquefied natural gas in the 2005 to 2010 market window and could displace the Alaska project;

BE IT RESOLVED that the Alaska State Legislature respectfully requests the United States Congress to enact tax legislation that would improve the economics and likelihood of an Alaska liquefied natural gas export project; and be it

FURTHER RESOLVED that the Alaska State Legislature respectfully requests the Governor to use his best efforts to support passage of this federal legislation.

COPIES of this resolution shall be sent to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.