

HOUSE BILL NO. 279

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 4/22/03

Referred: House Special Committee on Oil and Gas, Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act expanding the purpose of the Alaska Natural Gas Development Authority to**
2 **include planning, developing, constructing, managing, or operating an economically**
3 **viable gas pipeline project from the North Slope of Alaska by a route that parallels the**
4 **Trans Alaska Pipeline System or the Alaska Highway; relating to the development plan,**
5 **requiring a work plan, and relating to acquiring permits or other property by the**
6 **authority for a proposed gas pipeline project; and providing for an effective date."**

7 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

8 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
9 to read:

10 FINDINGS. The legislature finds that

11 (1) the Alaska Natural Gas Development Authority was created for the
12 purpose of planning, developing, constructing, managing, and operating a gas pipeline from
13 the North Slope of Alaska to tidewater at a point on Prince William Sound and a spur line to

1 the southcentral Alaska natural gas distribution grid;

2 (2) however, there may exist other economically viable projects to bring
3 Alaska gas from the North Slope to market;

4 (3) it is in the best interests of the State of Alaska to include any economically
5 viable project for consideration by the Alaska Natural Gas Development Authority by a route
6 that parallels either the Trans Alaska Pipeline System or the Alaska Highway; and

7 (4) therefore, it is in the best interests of the State of Alaska to expand the
8 purpose of the Alaska Natural Gas Development Authority to include planning, developing,
9 constructing, managing, and operating an economically viable gas pipeline from the North
10 Slope of Alaska by a route that parallels the Trans Alaska Pipeline System or the Alaska
11 Highway.

12 * **Sec. 2.** AS 41.41.010(d) is amended to read:

13 (d) The acquisition of natural gas from the North Slope and its delivery to
14 [TIDEWATER FOR SHIPMENT TO] market by the authority is an essential
15 government function of the state.

16 * **Sec. 3.** AS 41.41.450 is amended to read:

17 **Sec. 41.41.450. Property of the authority.** The authority may acquire, by
18 purchase, lease, or gift, upon terms that it considers proper, land; [,] structures; [,] real
19 or personal property rights; [,] rights-of-way; [,] franchises; [,] easements; **federal,**
20 **state, or local permits;** [,] and other interests in land it considers necessary or
21 convenient for the financing of the project or a part of the project.

22 * **Sec. 4.** AS 41.41.450 is amended by adding a new subsection to read:

23 (b) Nothing in this section requires the authority to acquire property, including
24 federal, state, or local permits, described in (a) of this section.

25 * **Sec. 5.** AS 41.41.990(3) is amended to read:

26 (3) "project" means the gas transmission pipeline, together with all
27 related property and facilities, to extend from the Prudhoe Bay area on the North Slope
28 of Alaska **by a route that parallels the Trans Alaska Pipeline System or the**
29 **Alaska Highway** [TO TIDEWATER AT A POINT ON PRINCE WILLIAM
30 SOUND] and **a** [THE] spur line [FROM GLENALLEN] to the Southcentral gas
31 distribution grid, and includes planning, design, and construction of the pipeline and

1 facilities as described in AS 41.41.010(a)(1) - (5).

2 * **Sec. 6.** The uncodified law of the State of Alaska enacted in sec. 5(a) of 2002 General
3 Election Ballot Measure 3 is amended to read:

4 (a) Not later than **January 1, 2004,** [ONE YEAR AFTER THE FIRST
5 MEETING OF] the board of directors of the Alaska Natural Gas Development
6 Authority [, THE BOARD] shall produce a **work** [DEVELOPMENT] plan. The
7 **work** [DEVELOPMENT] plan must include **a detailed budget, schedule, and tasks**
8 **that will be required to deliver a development plan. The development plan must**
9 **include**

- 10 (1) estimates of construction costs and timelines;
- 11 (2) gas procurement prices;
- 12 (3) use of the state's royalty gas;
- 13 (4) estimates of revenue to the general fund and the Alaska permanent
14 fund;
- 15 (5) a revenue sharing plan with municipal governments;
- 16 (6) a plan for delivery and pricing of natural gas to communities along
17 the pipeline route and to Southcentral Alaska through a spur line;
- 18 (7) a plan for delivery and pricing of LNG to Yukon River and coastal
19 communities;
- 20 (8) a payment schedule to companies providing permits or other
21 valuable assets;
- 22 (9) a marketing plan to approach potential buyers;
- 23 (10) a plan to maximize Alaskan hire, including project labor
24 agreements; and
- 25 (11) a plan to ensure meeting the highest environmental and safety
26 standards, including a citizens advisory council.

27 * **Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).