

SENATE FINANCE COMMITTEE  
July 22, 2008  
9:09 a.m.

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at [9:09:10 AM](#).

MEMBERS PRESENT

Senator Charlie Huggins, Vice-Chair  
Senator Kim Elton  
Senator Joe Thomas  
Senator Fred Dyson  
Senator Bert Stedman, Co-Chair

MEMBERS ABSENT

Senator Donny Olson  
Senator Lyman Hoffman, Co-Chair

ALSO PRESENT

Senator Thomas Wagoner; Senator Hollis French; Senator Bill Wielechowski; Karen Rehfeld, Director, Office of Management and Budget; Jerry Burnett, Director, Division of Administrative Services, Department of Revenue; Pat Galvin, Commissioner, Department of Revenue; Jerry Burnett, Director, Division of Administrative Services, Department of Revenue; Tom Irwin, Commissioner, Department of Natural Resources; Clark Bishop, Commissioner, Department of Labor and Workforce Development; Guy Bell, Assistant Commissioner and Director, Division of Administrative Services, Department of Labor and Workforce Development; Larry Ledoux, Commissioner, Department of Education and Early Development. Leta Simons, Director, Division of Support Services, Department of Natural Resources.

PRESENT VIA TELECONFERENCE

There were no teleconference participants.

SUMMARY

SB 4001 "An Act making supplemental appropriations, capital appropriations, re-appropriations, and other appropriations; making appropriations to capitalize a fund; and providing for an effective date."

#sb4001  
SENATE BILL NO. 4001

"An Act making supplemental appropriations, capital appropriations, re-appropriations, and other appropriations; making appropriations to capitalize a fund; and providing for an effective date."

[9:13:21 AM](#)

KAREN REHFELD, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET (OMB), explained the bill totals \$377 million in new funds requested for the Alaska Gas Line Inducement Act (AGIA) and requests consideration for re-appropriation of \$336 million currently in the Alaska Housing Finance Corporation's (AHFC) account to go towards the AGIA reimbursement fund. New funds requested would support infrastructure projects along Alaska's road systems, workforce development, instate gas use and project implementation required under the Department of Natural Resources (DNR).

[9:15:04 AM](#)

Senator Elton asked Ms. Rehfeld to discuss the connection between appropriations requested for fiscal year 2009 and the \$2 billion plus expected for follow up in the next four to five years. He stated his concern for constrained capital budgets in other arenas due to significant expenditures that will be needed for the project in the future. Ms. Rehfeld explained that the departments had been working on identifying all the infrastructure needs in building the pipeline and developing a 10 year plan, which has yet to be mapped out but will be included in OMB's budget for next year. She stressed that there are significant infrastructure needs.

Senator Elton reiterated that there would be significant future expenditures and questioned if there would be constrained capital budgets in other arenas in future years.

[9:17:30 AM](#)

Ms. Rehfeld noted that significant improvements would be needed in transportation infrastructure: ports, highways, and bridges. Some of the appropriations such as training are designed to be for five years, but others are only in the initial stages and would require future requests.

Senator Elton expressed concern regarding the impact on future capital needs not related to AGIA.

[9:19:20 AM](#)

Co-Chair Stedman observed that the Senate Finance Committee asked the administration for historical analysis of expenditures dealing with AGIA in particular, and the gas

line in general. He hoped that this information would address Senator Elton's concerns.

Senator Elton asked "How many capital dollars could be spent if the workforce was place?" Ms. Rehfeld stated that the administration is currently having that conversation.

[9:23:09 AM](#)

Senator Huggins believed it was important to approach the situation programmatically. He wanted to look at the project within the context of the operation of the rest of the state.

[9:25:02 AM](#)

PAT GALVIN, COMMISSIONER, DEPARTMENT OF REVENUE, provided information regarding the requested appropriation of \$500 million to be set aside for qualified expenditures as they are presented to the Department of Revenue (DOR) for reimbursement under the AGIA license. The request would transfer funds that were set aside in prior years by the AHFC for future gas line expenditures (\$300 million) as well as the interest earnings to the AGIA account. General funds would be added to fully fund the AGIA reimbursable account. He emphasized that it would be a good faith gesture on the part of the state, the money is available, and the state has the obligation under the license.

[9:27:17 AM](#)

Co-Chair Stedman observed that use of money set aside in the AHFC fund has been discussed before. He asked why the legislature would use money from the capital fund when ample cash resources are available from the constitutional, statutory, and earnings reserves. Commissioner Galvin stated that DOR believes that the money had been set aside, on the record, for the purpose of the gas line. He maintained that the \$500 million needs go into the AGIA fund at this time, but indicated the administration would not object if the legislature wished to use general funds.

[9:29:31 AM](#)

Senator Elton asked how much of the \$500 million needs to be in the reimbursable fund by July 1, 2009. Commissioner Galvin estimated that \$30 million would be needed under the TransCanada work plan. Senator Elton observed that the current legislature may make different decisions regarding appropriations for the project than future legislatures. He suggested it might be more appropriate to fund what is needed in the current fiscal year and allow the next legislature to consider what is appropriate for the next fiscal year. Commissioner Galvin argued that the funding should be available immediately so the project can advance

as quickly as possible. He did not want to see the project slowed down in order to allow an appropriation to catch up.

[9:32:44 AM](#)

Co-Chair Stedman asked for clarification regarding the funding match set up in the AGIA license. Commissioner Galvin explained that the AGIA license is set up as a 50/50 match for all expenditures between TransCanada and the state up to an open season. After an open season is held the state would be responsible for 90 percent of \$500 million. He explained that the full \$500 million would be reimbursed in approximately five years.

CoChair Stedman asked what kind of a timeframe was set for the reimbursement. Commissioner Galvin said the AGIA statute sets out the reimbursement schedule.

[9:37:23 AM](#)

Senator Thomas asked a question regarding accounting. Commissioner Galvin stated that the issue was having the funds available at the time they are needed. He maintained the project timeframe should not be limited to the appropriation the state allows; rather it should be able to move along as quickly as physically possible. He emphasized that setting the money aside now is a good faith gesture.

[9:39:39 AM](#)

Senator Thomas asked for clarity regarding the use of AHFC for the project. Commissioner Galvin responded that the money would not move and would still be managed by AHFC, but would be dedicated to the AGIA reimbursement fund under the terms of the license.

[9:41:38 AM](#)

Senator Elton asked if interest earned on the reimbursement fund over time would go back into the general fund. Commissioner Galvin said it could be set up that way.

JERRY BURNETT, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF REVENUE, clarified that inducement is limited to the \$500 million and any excess interest would be available to the legislature.

Co-Chair Stedman asked if reimbursement could be less than \$500 million with a successful open season. Commissioner Galvin explained that reimbursement up to \$500 million was expected regardless of the outcome of the open season. Senator Stedman asked about the issue of triple damages. Commissioner Galvin clarified that the incursion of treble damages would be the result of any future action by the

state and would be calculated upon the expenditures to date. Treble damages would be addressed in the future if there is a decision to support a competing project.

Mr. Burnett observed that interest on the fund would be accounted for separately and available for appropriation on an annual basis. The interest does not automatically stay in the fund; it can be appropriated back to the fund or for any other purpose.

[9:45:00 AM](#)

Senator Huggins suggested educating the public in phases and funding the project in phases.

Commissioner Galvin maintained that putting money aside now would be best for expediency. He stressed the state needs to make the same full commitment to the project that TransCanada has made.

Senator Elton voiced that he understood "political football" and pointed out that this is not a dedicated fund; TransCanada is not guaranteed the \$500 million by future legislatures.

[9:49:30 AM](#)

Senator Elton asked if the removal of the \$336 million from AHFC would alter the way the AHFC dividend is calculated. Mr. Burnett said no. He explained that the money is currently invested by the Department of the Treasury instead of AHFC.

Commissioner Galvin agreed with Senator Elton that the legislature would retain all authority to re-appropriate out of the fund in the future. He asserted that the level of comfort for the licensee would be higher knowing there was the availability of the funds now, rather than having to come back and ask for them to be added, while also recognizing that at any time the legislature can re-appropriate said funds.

AT EASE: [9:51:28 AM](#)  
RECONVENED: [10:03:09 AM](#)

[10:03:26 AM](#)

Co-Chair Stedman provided a revised spreadsheet: 7/22 Revised Special Session Appropriation Summary (Copy on File).

TOM IRWIN, COMMISSIONER, DEPARTMENT OF NATURAL RESOURCES, provided members with a slide presentation, "AGIA, Gas Pipeline Implementation" (Copy on File).

[10:06:04 AM](#)

In response to a question by Senator Elton, Commissioner Irwin clarified that the slides pertain to the DNR fiscal note for \$15 million.

Commissioner Irwin explained the roles of DNR, DOR and the governor's office:

- monitor TransCanada Alaska activities to ensure that it fulfills its license obligations,
- to work to ensure that the first open season is successful,
- monitor and audit pipeline expenditures,
- facilitate the issuance of environmental permits and other government approvals.

Commissioner Irwin addressed the next slide titled "Conformance with License." which notes that TransCanada is required to diligently pursue its work plan and a team will be assembled to ensure that it does so.

[10:08:16 AM](#)

Commissioner Irwin emphasized the desire of the state to work with TransCanada to help ensure a successful open season. He reviewed slide three: "Monitor Commercial Developments and Conditions." He said DNR will:

- implement AGIA's upstream inducements:
  - through Royalty Valuation and RIV/RIK switching regulations
  - possible fiscal certainty regulations
- Determine possible additional state inducements to help ensure success of the first open season:
  - resource assessments, manage state's relationship with TransCanada, ongoing assessment of project costs and economic conditions
  - examination of Alaska's gas fiscal regime

The funding will provide DNR, DOR and the Governor's Pipeline Coordinator with outside expertise to perform these activities.

Senator Huggins asked Commissioner Irwin to expand upon the term "resource assessments." Commissioner Irwin explained that they will start at the gas fields and look at the resources there, at the progress of TransCanada, and the resource assessment they are putting into the project such as the engineering and design aspects.

[10:11:23 AM](#)

Commissioner Irwin observed they would also monitor market and consumer conditions. He added that 82 percent of Canada's gas is currently exported to the United States and they project the relationship will be similar in 2020.

Senator Huggins said the term "resource assessment" automatically brought to mind "gas off-take." Commissioner Irwin answered that was part of the assessment.

[10:12:53 AM](#)

Senator Huggins suggested a timeline to anticipate milestones in the project such as gas off-take and in-state gas. He specifically mentioned Point Thompson.

Senator Elton questioned if the \$15 million was what would be needed through fiscal year 2014. Commissioner Irwin said that was correct. Senator Elton also questioned if the administration needs that much money to monitor the work of TransCanada, whether or not the legislature should be monitoring the program as well and would the legislature have access to the administration's experts. Commissioner Irwin answered the administration would be accountable to and in co-operation with the legislature.

[10:14:45 AM](#)

Commissioner Irwin emphasized that the stronger the unity between the administration and the legislature the better chance for success with the project. Senator Elton responded that the project should be funded on a year by year basis to make sure the legislature has access in the future. He wondered if the best approach would be to fund the project on a year by year basis. Commissioner Irwin maintained that the project is going to move quickly and the money needs to be available immediately.

[10:16:45 AM](#)

Commissioner Irwin stated that he could not project exact numbers year to year, only estimated numbers over time. Senator Elton requested a timeline of expected expenditures. Commissioner Irwin said he would address that in the last slide of his presentation.

Senator Huggins expressed frustration with Special Sessions and the presentation. He asked for a timeline with fiscal milestones.

[10:20:01 AM](#)

Commissioner Irwin stressed that TransCanada will immediately go to work on a detailed design. The department will update the costs and enter into discussions with all parties on the North Slope, based on factual information. He promised to give the legislature as much notice as possible if the factual information indicates the need for further inducements. He felt that the legislature would not want them to delay.

Senator Huggins reiterated his request for a timeline. Commissioner Irwin stressed that the more united the legislature and the administration is the more likelihood for success.

Commissioner Irwin continued with his presentation The funding would provide DNR, DOR, and the governor's Pipeline Coordinator with outside expertise to perform activities stated on slide five:

- Tariffs and ratemaking
- Policies of the FERC, RCA and NEB
- Gas pipeline access
- Engineering and Project costs
- Project Economics
- Federal loan guarantees
- Project management
- Worldwide gas investment opportunities
- Pipeline development accounting
- Environmental oversight

[10:23:44 AM](#)

Commissioner Irwin broke down the estimated budget on the final slide:

- Conformance with license provisions estimated cost \$7,500,000
- Monitoring commercial developments and conditions estimated cost \$6,500,000
- Oversight and Environmental Permit Coordination estimated cost \$1,000,000
- Total of \$15,000,000.

Commissioner Irwin went further to break the budget down with his best estimates to date. He would immediately shift resources if there are opportunities to move the process forward. Conformance with license conditions, using a contracted team of four experts would be \$1.25 million per year. There is \$250 thousand a year to provide outside consultants to help with reimbursements and audit support. There is a one year appropriation for \$250 thousand in FY 09 for contractors to help develop royalty inducements and another \$1.25 million per year for a contractor team to assess and possibly develop additional state inducements to ensure a successful first open season. There would be

\$200,000 per year for the pipeline coordinator. The funds would be expended by DNR, but they could also be transferred as a reimbursable services agreement (RSA) to the Department of Law or the governor's office as appropriate.

[10:26:20 AM](#)

Commissioner Irwin expanded on the question "Why DNR?" He stated that the department's Division of Oil and Gas is the business arm of oil and gas. He elaborated that most of the contracts done with consultants during the last process came out of the oil and gas side of the world because of needed knowledge and relationships specific to DNR.

Co-Chair Stedman asked what was new on the list of expenditures that had not been requested during the regular 2008 legislative session. Commissioner Irwin said he wanted to wait for the legislature to vote on AGIA. He felt it would be presumptuous to ask for the funding for the program before it had been voted on. Senator Stedman asked again for a year-to-year breakdown for this section of the project. Commissioner Irwin promised to provide him with a copy of the estimated breakdown adding that flexibility with the funds would be necessary.

Senator Elton reiterated his concerns regarding Reimbursable Service Agreements (RSA). He asked why it would be necessary to have outside contract accountants detailing how accounts are dealt with rather than OMB or DOR. Commissioner Irwin stated that the accounting could be done within the department and emphasized that the plan for outside contractors is a contingency. He stressed that the department would work to enhance the process where possible.

[10:33:09 AM](#)

Commissioner Irwin insisted that DOR, DNR, and Department of Law have worked well together to ensure that the funds will go to the department that is accountable for providing the expertise. The RSA from the governor's office is for the individual who will provide oversight and environmental permit co-ordination.

[10:35:02 AM](#)

LETA SIMONS, DIRECTOR, DIVISION OF SUPPORT SERVICES, DEPARTMENT OF NATURAL RESOURCES, provided information about past appropriations for the purpose of AGIA and gas pipeline. She explained that the state has had \$19,225,000 appropriated in the past, beginning at FY 05' for AGIA type gas line purposes. There have been appropriations to the commissioner's office for gas line workload, appropriations to Oil and Gas for gas line workload, specifically capital budget projects. Of those funds approximately \$3 million

remains. There is also an on going \$1.3 million that has been moved to the governor's office that supports an increased workload for the division of Oil and Gas, which could be available for increased staff in the future.

[10:37:21 AM](#)

CLARK BISHOP, COMMISSIONER, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT presented workforce division funding request slides, "Gasline Workforce Development" (Copy on File).

[10:39:18 AM](#)

GUY BELL, ASSISTANT COMMISSIONER AND DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, informed the committee that the total request for workforce development is \$42.7 million and that it is a multi-agency partnership between DOL, the Department of Education, the Post Secondary Education Commission, and the University of Alaska. The Gasline Workforce Scholarship Program would cost \$4,500,000 over a five year period, and would establish a scholarship program for recent high school or general education degree graduates preparing for careers in AGIA-related occupations requiring associates or certificate level training and enrolling in programs of a minimum of eight weeks in length and up to two years in length. This would be a one-time project.

[10:42:09 AM](#)

Senator Elton queried funding all five years at once if the program is \$900,000 dollars per year as an operating expense. why is it necessary to fund all five years at once, He suggested appropriating \$900,000 for FY 09' and see if the program is successful before giving it more funding. Commissioner Bell responded that the full five-year funding would reflect a commitment on the part of the state.

Co-Chair Stedman asked why these funds were not asked for in April 2008.

[10:44:17 AM](#)

Commissioner Bishop said that the training plan was not finalized until February 2008' and that this particular AGIA Training Strategic Plan was not completed until May 2008'. Co-Chair Stedman questioned the timing of the funding request. Commissioner Bishop stated he had not wanted to ask for funding until the program had been confirmed.

[10:45:59 AM](#)

Ms. Rehfeld added that OMB felt that it was appropriate to keep some cost separate so they could be clearly looked at as the project advances.

Co-Chair Stedman asked if the training program is appropriate to the goal of putting Alaskan's to work on a gas line regardless of who owns it. Commissioner Bishop replied in the affirmative.

[10:47:57 AM](#)

Ms. Rehfeld elaborated that additional funding was necessary to provide more training to more Alaskans.

Senator Elton admitted to bias against dedicated funds and called for more fiscal clarity. He wants the ability to determine from year to year how much money the program would merit.

[10:49:52 AM](#)

Senator Elton agreed with Ms. Rehfeld regarding additional funding and added he would like to keep operating and capital projects separate. He maintained that he did not want to commit to a five-year program that was currently only a concept. Ms. Rehfeld asserted that it would be difficult for training programs to provide sufficient training without sufficient funding. Senator Elton stated the importance of all operating requests and asked why this one was so compelling. Ms. Rehfeld said she saw his point.

[10:51:41 AM](#)

Senator Thomas pointed out that the skilled workforce created by the program could carry over to many different Alaskan industries such as construction and mining. Commissioner Bishop concurred.

[10:53:31 AM](#)

Commissioner Bishop agreed that the skills were transferrable.

Senator Huggins stated he was excited for the Department of Education and Early Development and the Department of Labor and Workforce Development to be working together, but was concerned about what would happen to the trained workforce after the pipeline was built.

[10:56:13 AM](#)

Co-Chair Stedman referenced Ilisagvik College, a vocational technical school in Point Barrow which had the same plan and had its funding vetoed. He pointed out that there was no one

from Point Barrow employed in the oil industry. He was curious about the reason for the funding veto.

[10:57:59 AM](#)

Ms. Rehfeld replied that DOL had some legal concerns because Ilisagvik College is eligible for competitive training funds from other sources.

Commissioner Bishop asked for clarification concerning Senator Stedman's question. Senator Stedman answered that during conversations with the people of Point Barrow they were concerned that people from their community were not employed on the oil field.

Senator Thomas thought the comment was directed more at the producers. He said that the people of Point Barrow had created their own company and worked through sub-contractors to get their people hired. The frustration lay in getting their people employed directly by the oil companies.

Co-Chair Stedman noted that his comment was broad. He mentioned the Inuit Circumpolar Council's problem with employment in Western Alaska. He asked how policy would be crafted to deal with the issue of unemployment in Western Alaska.

[11:00:58 AM](#)

Mr. Bell explained the workings of the job center in Barrow. He asserted that the job proposals would be available to any job training center in the state.

Senator Elton questioned why the fiscal notes contain no funding for the University of Alaska Southeast.

Mr. Bishop shared his experience with touring the Point Barrow facilities. The center seemed satisfied with the placement of their students. He offered to meet Senator Elton later to discuss his question.

Senator Elton stressed the urgency of the situation.

[11:05:07 AM](#)

Mr. Bell reported that scholarship programs for gasline job training would be open to all Alaskans, as would be a number of the other programs.

Mr. Bell addressed the appropriation for Gasline Workforce Development. \$34,800,000 would fund a five-year program necessary to implement the strategies from the AGIA Training Plan Steering Committee for skills development in preparation for pipeline occupations. The program includes

job awareness and using various media forms to make Alaskans aware of training possibilities.

[11:07:10 AM](#)

Mr. Bell explained that Pipeline Training Program Administrator would be a new position requiring \$800,000 spread over five years. He stated the Adult Basic Education Increase would require \$2.5 million, again over five years, to prepare Alaskans for employment by providing instruction in the basic skills of reading, writing, mathematics, and General Education Development preparation and testing.

Co-Chair Stedman requested a cash-flow timeframe. Mr. Bell agreed to provide that information. Ms. Rehfeld offered to help.

[11:09:07 AM](#)

Commissioner Bell continued with a request for AGIA Training Strategic Plan Strategy 3.1 the Alaska Vocation Technical Center Instructional Expansion of \$1.5 million (copy on file).

[11:10:47 AM](#)

Senator Huggins asked if the organizations that already provide this training are also receiving grants. Mr. Bell explained how those entities are funded. Senator Huggins encouraged the expansion of training programs. He inquired if there is a funding component for training state troopers. Commissioner Bishop said there was, through a grant application process. Senator Huggins noted a shortfall in troopers and strongly supported their training.

AT-EASE: [11:13:18 AM](#)

RECONVENED: [11:22:11 AM](#)

Co-Chair Stedman requested more information about the Alaska Works Partnership. Commissioner Bishop explained that the Alaska Works Partnership is a 501(c) (3) non-profit available to all Alaskans for skill training that has been in Barrow for about eight years. Co-Chair Stedman asked why the Alaska Works Partnership qualified for funding and Ilisagvik College did not. Ms. Rehfeld said she would provide the legal memo that explained the veto of the appropriation to Ilisagvik College.

[11:25:40 AM](#)

Mr. Bell spoke of the Gasline Occupations Grant Program for \$26.5 million to reestablish Career Technical Education (CTE) programs around the state. He shared statistics on the successes of the CTE program. He pointed out that schools

across the state have lost funding for this purpose and this would be a chance to try to fix that.

[11:26:58 AM](#)

LARRY LEDOUX COMMISSIONER, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, spoke in support of funding for vocational education in Alaska. He told of the advantages of programs directed at significant needs. He noted it takes time to integrate grant programs and funding into school systems. Using request for proposals allows programs to reach their goals by leveraging their money and developing partnerships. He listed several other benefits of partnerships.

[11:29:34 AM](#)

Senator Huggins asked if there are any charter schools with a career or technology focus. Commissioner Ledoux admitted he was not aware of any specific charter schools but he would get back to Senator Huggins when he knew more. Senator Huggins noted the importance of internships and the connection between the education site and the work site. Commissioner Ledoux commented on the importance of training employees to have strong work ethic in order to keep a job.

Co-Chair Stedman voiced a concern about short-termed sponsorship of programs. Mr. Bishop shared a story about a successful welding program in Matanuska-Susitna due to support. He stressed the importance of bringing industry and business together to make such programs work.

[11:34:07 AM](#)

Senator Thomas commented on the importance of communication between the school site and the job site. He supported a class that would provide basic life skills such as balancing a checkbook.

Co-Chair Stedman noted concern in the business world regarding a migration toward higher paying jobs on the gas pipeline, causing problems for other areas of Alaska's economy. Commissioner Bishop shared those concerns.

[11:37:36 AM](#)

Senator Huggins thought that the state system contains obstacles regarding vocational education. He asked what kept the state from getting highschoolers and young workers to the job site. Commissioner Ledoux thought it was a matter of a lack of resources in some school districts. Mr. Bell pointed out that additional emphasis has been put on voluntary programs by employers.

[11:40:03 AM](#)

Mr. Bell discussed instruction academies, slated at \$3.5 million per year, and partnerships around the state. He stated that occupational preparation is still needed throughout the state for this project. He pointed out the Youth First programs directly connect to the CTE programs.

[11:41:39 AM](#)

Mr. Bell related that Regional Training Centers and Gasline Training programs for \$2 million are included in the appropriation request. Co-Chair Stedman asked why the appropriation was not included in the regular session budget. Mr. Bell reported that this was a late-arriving program after the budget was developed.

Co-Chair Stedman recalled a legislative leadership meeting where there was no mention of a "multitude of appropriations". He asked how long this request has been in the works. Mr. Bishop replied about a month.

[11:44:34 AM](#)

Ms. Rehfeld recalled discussion of which appropriations might be needed for AGIA. She thought the timing was appropriate for the discussion.

Mr. Bell continued to explain the Skill Upgrade and Supervisory Training appropriation for \$750,000 total, or \$150,000 per year.

[11:46:35 AM](#)

Mr. Bell explained the Alaska Works Partnership Gasline Workforce Development request for \$2,287,500 to equip the pipeline training center in Fairbanks. The training center has already received just over \$10 million from legislative general fund appropriations.

Senator Huggins asked how much TransCanada was contributing in dollars for equipment and assets. Mr. Bishop did not know. Co-Chair Stedman asked when he would know. Mr. Bishop thought within the next 30 days.

Co-Chair Stedman asked about shipping the steel flat and rolling it in-state via a rolling mill. Mr. Bishop was not familiar with the concept regarding this pipeline project. He embraced the idea.

[11:50:11 AM](#)

Co-Chair Stedman questioned if Canada has a premium on the American labor force, and if American contractors would be on equal footing with Canadian contractors. Mr. Bishop

offered to ask in a meeting with TransCanada in Whitehorse next week.

Co-Chair Stedman inquired if the field was level regarding duty or supplies and would there be local bidder's preference. Mr. Bishop stated he would find out.

[11:51:58 AM](#)

Senator Huggins noted that the agreements between TransCanada and the state should be reciprocal.

[11:52:25 AM](#)

Mr. Bell spoke to the last appropriation request for the University of Alaska Gasline Workforce Development in the amount of \$1,072,000, which would fund simulated work scenarios for heavy equipment training.

Senator Huggins stressed avoiding competition with those already in the business of providing simulated work scenarios.

[11:56:33 AM](#)

#  
ADJOURNMENT

The meeting was adjourned at 11:57 AM.

