

**ALASKA STATE LEGISLATURE  
HOUSE LABOR AND COMMERCE STANDING COMMITTEE**

April 1, 2015

4:06 p.m.

**MEMBERS PRESENT**

Representative Kurt Olson, Chair  
Representative Shelley Hughes, Vice Chair  
Representative Jim Colver  
Representative Gabrielle LeDoux  
Representative Andy Josephson  
Representative Sam Kito

**MEMBERS ABSENT**

Representative Cathy Tilton  
Representative Mike Chenault (alternate)

**COMMITTEE CALENDAR**

CONFIRMATION HEARING(S):

Alaska State Board of Public Accountancy

Andre Horton - Anchorage  
Jeffrey Johnson - Fairbanks

- CONFIRMATION(S) ADVANCED

Alcoholic Beverage Control Board

Ellen Ganley - Fairbanks  
Tom Manning - Juneau

- CONFIRMATION(S) ADVANCED

Board of Dental Examiners

Dr. Thomas Kovaleski - Chugiak  
Dr. David Nielson - Anchorage  
Paula Emswiler Ross - Anchorage  
Dr. Paul Silveira - Valdez

- CONFIRMATION(S) ADVANCED

Alaska Labor Relations Agency

Tyler Andrews - Anchorage  
Lon Needles - Valdez

- CONFIRMATION(S) ADVANCED

Board of Marine Pilots

David Arzt - Anchorage  
Shirley Marquardt - Unalaska

- CONFIRMATION(S) ADVANCED

Board of Marital and Family Therapy

Leon T. Webber - Anchorage

- CONFIRMATION(S) ADVANCED

Board of Nursing

Julie Gillette - Fairbanks  
Sharyl Toscano - Anchorage

- CONFIRMATION(S) ADVANCED

Occupational Safety and Health Review Board

Shawn Michael Waldron - Anchorage

- CONFIRMATION(S) WITHDRAWN BY THE GOVERNOR

Board of Examiners in Optometry

Paul Barney - Anchorage

- CONFIRMATION(S) ADVANCED

Board of Pharmacy

Leif Holm - North Pole

- CONFIRMATION(S) ADVANCED

Board of Psychologists and Psychological Associate Examiners

Jon DeRuyter - Fairbanks

- CONFIRMATION(S) WITHDRAWN BY THE GOVERNOR

Real Estate Commission

Traci Barickman - Wasilla  
Marianne Burke - Anchorage  
Cynthia Cartledge - Anchorage  
PeggyAnn McConnochie - Juneau

- CONFIRMATION(S) ADVANCED

Regulatory Commission of Alaska

Stephen McAlpine - Anchorage

- CONFIRMATION(S) ADVANCED

Board of Veterinary Examiners

Tamara Rose - Fairbanks

- CONFIRMATION(S) ADVANCED

Workers' Compensation Appeals Commission

Andrew Hemenway - Juneau

- CONFIRMATION(S) ADVANCED

Alaska Workers' Compensation Board

Stacy A. Allen - Palmer  
Pamela J. Cline - Anchorage  
Chuck Collins, Jr. - Juneau  
Jacob Howdeshell - North Pole  
Linda F. Hutchings - Soldotna  
Rick Traini - Anchorage  
Patricia A. Vollendorf - Anchorage  
Robert C. Weel - Anchorage

- CONFIRMATION(S) ADVANCED

Alaska Gasline Development Corporation, Board of Directors

Richard Halford - Eagle River  
Joseph Paskvan - Fairbanks

Hugh Short - Anchorage

- CONFIRMATION(S) ADVANCED

Alaska Department of Commerce, Community & Economic Development,  
Commissioner

Chris Hladick - Juneau

- CONFIRMATION(S) ADVANCED

Department of Labor & Workforce Development, Commissioner

Heidi Drygas - Juneau

- CONFIRMATION(S) ADVANCED

#### **PREVIOUS COMMITTEE ACTION**

No previous action to record

#### **WITNESS REGISTER**

CHRIS HLADICK, Designee, Commissioner  
Department of Commerce, Community & Economic Development (DCCED)  
Juneau, Alaska

**POSITION STATEMENT:** Testified as appointed commissioner of the  
Department of Commerce, Community & Economic Development  
(DCCED).

HEIDI DRYGAS, Commissioner Designee  
Department of Labor & Workforce Development (DLWD)  
Anchorage, Alaska

**POSITION STATEMENT:** Testified as appointed commissioner of the  
Department of Labor & Workforce Development (DLWD).

STEPHEN MCALPINE, Commissioner Designee  
Regulatory Commission of Alaska (RCA)  
Anchorage, Alaska

**POSITION STATEMENT:** Testified as appointed commissioner to the  
Regulatory Commission of Alaska.

JOE PASKVAN, Appointee  
Board of Directors  
Alaska Gasline Development Corporation (AGDC)  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified as appointee to the Board of Directors, Alaska Gasline Development Corporation (AGDC).

RICK HALFORD, Appointee  
Board of Directors  
Alaska Gasline Development Corporation (AGDC)  
Department of Commerce, Community & Economic Development  
Eagle River, Alaska

**POSITION STATEMENT:** Testified as appointee to the Board of Directors, Alaska Gasline Development Corporation (AGDC).

HUGH SHORT, Appointee  
Board of Directors  
Alaska Gasline Development Corporation (AGDC)  
Department of Commerce, Community & Economic Development (DCCED)  
Anchorage, Alaska

**POSITION STATEMENT:** Testified as appointee to the Board of Directors, Alaska Gasline Development Corporation (AGDC).

KONRAD JACKSON, Staff  
Representative Kurt Olson  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Testified on behalf of the House Labor & Commerce Committee, Representative Olson, Chair, on the appointees to the various board and commissions.

**ACTION NARRATIVE**

[4:06:52 PM](#)

**CHAIR KURT OLSON** called the House Labor and Commerce Standing Committee meeting to order at 4:06 p.m. Representatives Colver Kito, LeDoux, Hughes, Josephson, and Olson were present at the call to order.

CONFIRMATION HEARING(S):

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**Alaska State Board of Public Accountancy**  
**Alcoholic Beverage Control Board**  
**Board of Dental Examiners**  
**Alaska Labor Relations Agency**  
**Board of Marine Pilots**  
**Board of Marital and Family Therapy**  
**Board of Nursing**  
**Occupational Safety and Health Review Board**  
**Board of Examiners in Optometry**

Board of Pharmacy  
Board of Psychologists and Psychological Associate Examiners  
Real Estate Commission  
Regulatory Commission of Alaska  
Board of Veterinary Examiners  
Workers' Compensation Appeals Commission  
Alaska Workers' Compensation Board  
Alaska Gasline Development Corporation Board of Directors  
Alaska Department of Commerce, Community & Economic Development,  
Commissioner  
Department of Labor & Workforce Development, Commissioner

[4:07:06 PM](#)

CHAIR OLSON announced that the only order of business would be the confirmation hearings for the [governor's 39 appointments to the] various boards and commissions.

[4:08:00 PM](#)

CHAIR OLSON said that members have had an opportunity to review resumes from all the appointees and have asked the commissioner designee for the Department of Labor & Workforce Development (DLWD), Heidi Drygas, the commissioner designee for the Department of Commerce, Community & Economic Development (DCCED), Chris Hladick, and commissioner designee for the Regulatory Commission of Alaska, Stephen McAlpine, and the three appointees to the Alaska Gasline Development Corporation, Board of Directors, Rick Halford, Joseph Paskvan, and Hugh Short to appear before the committee.

[4:08:44 PM](#)

CHRIS HLADICK, Designee, Commissioner, Department of Commerce, Community & Economic Development (DCCED), stated that he has served as a city manager for 25 years in Galena, Dillingham, and most recently in Unalaska, working extensively on projects with federal agencies. He said he also has been a recipient of the DCCED's services so it gives him a familiarity with the department's role and function. In closing, he offered that he looked forward to applying the skills he has learned in the past 25 years to this position.

[4:09:31 PM](#)

CHAIR OLSON commented that commissioner designee Chris Hladick has testified before the committee previously so members have had an opportunity to become familiar with him.

[4:09:54 PM](#)

REPRESENTATIVE HUGHES asked whether he had any area of emphasis, in particular, since he has been a recipient of the DCCED's services.

COMMISSIONER HLADICK replied that he has been on the job for three months and during that time has been conducting some assessments, but he planned to delve more deeply into that once the legislative session is over. He related his understanding that significant grants are processed by the DCCED so he hopes to focus on cost savings in grant programs. The department also has numerous loan programs and he hopes to focus on ways to combine those activities. Although he does not yet have an in-depth knowledge of the internal workings, he would like to gain more information once the legislative session was over.

REPRESENTATIVE HUGHES appreciated his interest in finding ways to save money.

[4:11:39 PM](#)

HEIDI DRYGAS, Commissioner Designee, Department of Labor & Workforce Development (DLWD), in response to Chair Olson, said she has been surprised at how much she enjoys her job as commissioner, noting she has served as commissioner for the past three months. She characterized the DLWD's staff as committed and having served the department for some time. She informed members that the DLWD's staff helps people, by keeping them safe, retraining those who need skill development, and by assisting unemployed, injured, and disabled workers. She described her experience in the past few months as remarkable.

[4:13:11 PM](#)

CHAIR OLSON suggested that committee members and many people in the audience today are doing their jobs to provide public service, especially since many people could earn significantly more working in the private sector.

[4:13:44 PM](#)

STEPHEN MCALPINE, Commissioner Designee, Regulatory Commission of Alaska (RCA), stated that he is a 45-year resident of Alaska, an attorney by profession, and he was appointed March 1, 2015 to serve on the Regulatory Commission of Alaska (RCA). Since then he has read over 1,200 pages of material in preparation for the multiple tasks the RCA was charged to perform. He has participated in several hearings and adjudications, and attended a week of training to date.

CHAIR OLSON remarked that Mr. McAlpine also has had a career in public service.

MR. MCALPINE agreed.

[4:15:31 PM](#)

JOE PASKVAN, Appointee, Board of Directors, Alaska Gasline Development Corporation (AGDC), stated that he has been nominated to serve as a public member on the AGDC board of directors. He asked members to support to forward his confirmation to the full legislature. He said he was born and raised in Alaska, graduated from high school and the University of Alaska Fairbanks (UAF). He has been married for nearly 37 years and has raised four children in Alaska. He has two grandchildren with two more arriving by the end of the year. He has served as an attorney in private practice for over 30 years. He has experience in large and small construction projects. He has represented major contractors that have been involved in construction disputes, including large projects involving state contracts and small contracts involving only private construction contracts. As part of his work he has hired and continues to hire technical consultants to assist his clients. He currently serves on two AGDC committees, the Technical Committee and the Commercialization Committee.

[4:17:46 PM](#)

REPRESENTATIVE HUGHES stated that a level of expertise is needed for the AGDC Board of Directors. She acknowledged he served as Co-Chair of the senate Resources Committee for several years. She asked whether any of his construction experience was related to the oil and gas industry.

MR. PASKVAN replied that he represented a contractor who was responsible for the maintenance contract for the Trans-Alaska Pipeline System for many years, which was tangentially related to the oil and gas industry. However, he acknowledged that his

client was a contractor for the Trans-Alaska Pipeline System performing maintenance on the pipeline.

[4:18:50 PM](#)

REPRESENTATIVE HUGHES asked what expertise he will bring to the two aforementioned AGDC subcommittees.

MR. PASKVAN answered that the Commercialization Subcommittee would be chaired by John Burns. He offered his belief that Mr. Burns was interested in his help in advancing an understanding of what it will take to make it a viable commercial project. Further, he anticipated that the AGDC would rely on facts in order to make good decisions. He said he looked forward to serving on that committee. The Tech Subcommittee would be led by Dave Cruz, Cruz Construction Company, and would be focused specifically on areas such as material grades for pipe, pressure ratings for the pipe, gas treatment facilities, and compression plants, as well as retaining and obtaining the best industry standard cost estimates.

[4:20:17 PM](#)

REPRESENTATIVE HUGHES appreciated the overview of the subcommittees; however, she expressed an interest in how he would be able to contribute with his knowledge in those two areas.

MR. PASKVAN stated that other than his participation in construction, he retains lawyers and consultants and has for over thirty years. He related his understanding that a big task of the subcommittees would be gathering information. He said the AGDC has engineers and consultants who are working on industry standard costs. He said that once this information is assembled, it is necessary to have good decision makers, which is his area of expertise, and the reason Mr. Cruz would like his participation on the subcommittee.

[4:21:36 PM](#)

RICK HALFORD, Appointee, Board of Directors, Alaska Gasline Development Corporation (AGDC), Department of Commerce, Community & Economic Development, stated that he began his education in petroleum issues in this room 36 years ago [as a legislator] considering the interim tariff for the TAPS [Trans-Alaska Pipeline System]. During the aforementioned process, he learned that the legislative branch had the greatest opportunity

to learn and be educated if members chose not to make decisions until the parties of interest provided the details. In fact, the educational aspects were part of the reason he spent 24 years in the process. Since legislative members can choose to chair different committees, it allows them to concentrate on different areas. He considered the education to be a valuable asset.

MR. HALFORD offered that he spent about a dozen years [as a legislator] serving on the House and Senate Resources Standing Committees in the legislature, including chairing those committees, as well as serving as majority leader of both bodies. He said he felt lucky to have served with legislators who began their service at statehood, remarking that these leaders were also great teachers, although he had initially disagreed with many of them. He offered his belief that people can learn most from people who challenge them, which was his experience. He served in the 90s on a gasline financing task force and chaired the [Resources] committee during the BP/ARCO merger. He has also been involved in the political and regulatory branches of oil and gas issues for a number of years. He characterized the current process as one that was very complex, with significant issues at play. He hoped the legislative and executive branches would be able to get together because doing so means the state has the chance of getting a gasline, but if not, he was afraid that it wouldn't be possible. He said he was willing to work on the process as best as he can.

[4:24:43 PM](#)

REPRESENTATIVE HUGHES, in terms of hoping the legislative and executive branches will come together to achieve a gasline, asked what he brings to the table.

MR. HALFORD answered that he believes in the political process, in the authority of the legislative branch and of the executive branch. He offered his belief that people were trying to reach conclusions. He recommended that parties stay at the table to obtain answers and develop the level of trust it takes to achieve a project. Even so, he predicted it will be very difficult to do so. He said that the majors have moved a little bit because of their own interest, which has given the state an opportunity. Often, people in the political process think they are in charge of economics, but he has found that economics usually overrules politics. He said, "We push on our end of the rope and we wonder why the other end didn't move, but for once

we may have some pull - from the economic end - and I hope that works."

4:26:04 PM

HUGH SHORT, Appointee, Board of Directors, Alaska Gasline Development Corporation (AGDC), Department of Commerce, Community & Economic Development (DCCED), asked to read prepared remarks, as follows:

Chairman, and committee members, thank you for the opportunity to address the House Labor and Commerce [Standing Committee.]

I am honored to be before you today to be considered to serve you, the Governor, and the State of Alaska, as a board member of the Alaska Gasline Development Corporation.

As a board member of AGDC, I would take my responsibility seriously. From the "Heads of Agreement," my top six priorities would include the following:

1. Competitively priced, reliable in-state gas;
2. Commercialization of ANS gas resources through the sale of LNG to global markets and access for in-state demand;
3. Creating jobs for Alaskans in the exploration, development, production and transportation of natural gas;
4. Increasing opportunities for Alaska-based businesses;
5. Providing additional revenues to the State of Alaska and LNG partners; and
6. Building infrastructure for the development of onshore and offshore oil and gas exploration and production.

4:27:39 PM

MR. SHORT asked continued to read prepared remarks, as follows:

With that, I would briefly like to discuss my background and how I believe that I would fulfill the statutory requirements to be a board member.

First, I have a career in business and finance, most recently as the chairman and CEO for the Pt Capital family of companies. Pt Capital is in the midst of building a private equity firm that focuses on investments in small to mid-market companies in Alaska, Canada, Iceland and Greenland. Our company is the first for Alaska, as traditional private equity investment in Alaska has been through private equity firms that are headquartered outside the state. I have built this company anchored by one of the largest sovereign wealth funds globally with one of the most pristine reputations, surrounded by other well-regarded investors.

Additionally, our subsidiary Pt Securities is the most northern FINRA - regulated, SEC-registered, broker/dealer investment bank in North America. Pt Securities works with small and mid-market companies that have needs to raise capital and debt for the growth and expansion of their business.

[4:28:28 PM](#)

MR. SHORT asked to read prepared remarks, as follows:

Both of these services are first to market companies for Alaska and have been created to help spur the further development of a strong, financial services sector in our state.

During my over two-year tenure as chairman of the Alaska Industrial Development and Export Authority, more than \$530 million in capital and associated contributions by our partners were appropriated; in addition the board approved due diligence on another \$295 million in infrastructure development projects, including the first investments for AIDEA in offshore drilling rigs.

As Chairman of the Alaska Energy Authority, concurrent to being Chairman of Alaska Industrial Development and Export Authority, I was responsible for the

implementation of the Susitna-Watana Hydroelectric Project. As most of you know, this project potentially could generate 50 percent of the current Railbelt's electric demand, or 2,800,000 megawatt hours (MWh) of energy. As proposed, Susitna-Watana Hydro will include construction of a dam, reservoir, and related facilities in a remote part of the Susitna River. Transmission lines connecting into the existing Railbelt transmission system and an access road would also be constructed.

The Alaska Energy Authority is in the early stages of a long, complex permitting process with FERC, the Federal Energy Regulatory Commission, which I led as Chairman. The anticipated cost of this project is \$5.19 billion, including licensing and construction. I mention this because one of the statutory requirements is large projects, and I believe the 2 to 2.5 years as Chairman, initiating this under Governor Parnell, and driving it to about 70 percent through the FERC process, as well as managing the contractors necessary was a significant push on my part.

[4:30:43 PM](#)

MR. SHORT continued to read prepared remarks, as follows:

Additionally, when I took over as Chair for both the energy authority [Alaska Energy Authority] and AIDEA [Alaska Industrial Development and Export Authority], performance evaluations had not been completed in a four or five years. I found this unacceptable and immediately began to work with staff to implement these important management tools. We tied key performance metrics to overall organizational goals of both AEA and AIDEA, and focused the work of the board on the large strategic items that drove results.

As President and CEO of Alaska Growth Capital, Alaska's only Business and Industry Development Corporation, I was responsible for the deployment of over \$240 million of capital and financing for the acquisition and construction of telecommunication networks for GCI, utilizing creative finance tools to ensure the best possible cost of capital to support the high cost Arctic, rural build out of the network. The remote communication towers create state of the

art communication networks, improving health care, economic opportunities, and life/safety for many in residents of Alaska.

[4:31:45 PM](#)

MR. SHORT continued to read prepared remarks, as follows:

In addition to this, I was responsible for the financing at Alaska Growth Capital of businesses that worked in Alaska's oil, mining, tourism, retail, logistics, and transportation industries. These companies form the support foundation for the core natural resource exploration and production that drives our economy in Alaska. In a state that's so dependent on the access to lands and resources, the financial support of Alaska Growth Capital was and continues to be vital to the business operations of many companies that otherwise would not be able to access capital.

On a personal note, my Inupiaq mother Mildred Short was born in the isolated community of Moses Point in 1942, just outside of Elim. My father Hugh Short Sr., who turns 90 in August of this year, immigrated to Alaska in 1956 - three years before statehood - from northern British Columbia. I personally was born in the small town of Bethel, in western Alaska and had the honor of serving as the mayor - which sounds more important; a term is one year, so two years - as mayor of the community. I currently live in Girdwood now with my wife of almost 20 years, Trina, and our three daughters.

[4:33:13 PM](#)

MR. SHORT continued to read prepared remarks, as follows:

As a board member for AGDC, I would work to ensure that the business of the AGDC was squarely on the focus of commercializing Alaska's gas, not politics. I have a track record of focusing on ensuring that the state does not make bad business decisions, and creates opportunity and jobs for those that live here. I would use this to serve on the board and contribute to the important task at hand, with the governor, the legislature, to make Alaska's gas competitive

globally, locally, and to build the important infrastructure necessary to make this happen. Thank you, Mr. Chairman.

[4:33:48 PM](#)

REPRESENTATIVE JOSEPHSON, prefaced that he was not speaking of AGDC, but said he has observed some authorities become mini-sovereigns and in some instances the legislature can lose control of them. For example, there has been that sense with KABATA [Knik Arm Bridge and Toll Authority]. He asked whether he believed that appearance does exist in the state's authorities and if so, what could be done about it.

MR. SHORT answered that he can only speak from his experience at the Alaska Energy Authority (AEA) and at the Alaska Industrial Development and Export Authority (AIDEA). He had a different point of view, since he has found AIDEA to be very constrained to \$20 million for investments in projects, which was a late 80s figure, or it must come to the legislature for approval. Certainly, \$20 million today is not what it was in 1989, so the AIDEA has been very constrained by statute in what it can accomplish as an authority. He suggested there is an opportunity to revisit the statutes that govern AIDEA and modernize the organization to allow the authority to take advantage of opportunities and create jobs. He emphasized the need to have an overall organizational analysis. Although the AEA has legislative intent for projects and administrative intent, the energy policy is broken in the state and the AEA is ripe for change and innovation. He found the AEA lacked the ability to coordinate how the energy assets are built out for natural gas generation or for renewable energy. He suggested an opportunity exists to revisit the AEA and try to focus the organization; however, he said he respected the management teams at AIDEA and AEA and believes they are doing wonderful jobs, but the organizations need additional authority.

[4:37:16 PM](#)

MR. SHORT said has only followed the KABATA project through the news, but he has not reviewed the authority. Turning to the AGDC, he found it to be one of the most powerful authorities and he assured members that he takes the responsibility of serving as a board member very seriously. He concluded by expressing an interest in working with the legislature, hand-in-hand, as decisions are made.

[4:37:44 PM](#)

CHAIR OLSON remarked that he has worked with AIDEA [Alaska Industrial Development and Export Authority] in the past few years, and each time AIDEA has come to the legislature, the committee has assisted the corporation.

[4:38:14 PM](#)

REPRESENTATIVE KITO remarked that he was impressed with his business and background with AEA and AIDEA. He suggested the point Representative Josephson made earlier was that an entity like KABATA was created for a specific project; whereas AEA or AIDEA perpetuate their missions, not any specific project. Certainly, AGDC has been directed to accomplish a project or to work between two projects to try to achieve one viable project. He expressed concerned about the nature of a project-directed authority to be self-perpetuating rather than serving an overall public purpose. He sensed Mr. Short was in tune to that, but cautioned that the state needs to be careful it doesn't get into a situation in which "the authority exists to make sure the authority exists."

REPRESENTATIVE KITO asked whether Mr. Short had any thoughts or ideas of how to encourage or motivate younger rural residents to seek training and become eligible to work on the proposed gasline. He wanted to ensure that all of the proposed gasline employees do not come out of the existing pools in the urban centers or from out-of-state. He hoped that the state will be forward-looking and provide training opportunities for youth in rural communities so they can participate. He asked for ways to accomplish that goal.

[4:40:32 PM](#)

MR. SHORT remarked that his first question to board members was to ask them to identify benefits to non-Southcentral Alaska residents of building a gasline, and whether there was a plan to get gas to markets in Alaska without spurs or other access to gas. One further question would be how to use the existing workforce development programs during fiscal uncertainty to ensure that when the proposed gasline is built that the workforce will be there. He appreciated Commissioner Drygas being on the board since she brings a strong workforce development focus to the board. He said he has spent a significant portion of his career at the Yukon-Kuskokwim Delta Learning Center to encourage local residents to get into health

care professions. He offered his belief that the key was to start working with students in middle school since waiting until high school will risk not affecting their future career trajectory. He recognized a number of programs were initiated in the past five years, for example, Yuut Elitnaurviat (YE) in Bethel, the boarding schools in Kotzebue and Galena, and AVTEC [Alaska Vocational Technical Center] in Seward. Thus significant innovative programs have been put in place; however, the AGDC must have a serious conversation on other ways to invest in workforce development to ensure that an adequate workforce will be ready to construct the proposed gasline. He said he was excited about the prospect, in fact, number (4) on his list was employment for Alaska residents, especially important to him as an Alaska Native coming from rural Alaska.

[4:42:49 PM](#)

REPRESENTATIVE COLVER asked for any insight on the state's bonding capacity to finance a portion of the AKLNG or the ASAP.

MR. SHORT answered that the AGDC has entered into a contract with Lazard, who has been tasked to determine bonding capacity for the State of Alaska for the financing portion of the state's participation in AKLNG or ASAP. He offered his belief that Lazard was in Juneau about a month ago. He expressed an interest in diving into this work. He reported that he serves on the Governance Committee and the Commercialization Committee. He emphasized his strength and expertise will be on the financing side of the transaction and he will work to ensure the state does not take too much risk in this deal, but still participates at an adequate level. He said the financing, risk, and participation are different discussions between the ASAP and AKLNG projects. He characterized the aforementioned as representing a significant portion of the work, which he hoped to discuss with the legislature in more detail.

[4:44:48 PM](#)

REPRESENTATIVE COLVER remarked that Mr. Short brings an excellent skill set to the AGDC. He expressed an interest in the comment that AEA was ripe for restructuring, and as Co-Chair of the Energy Committee, he would like to glean direction how to achieve that.

MR. SHORT offered his belief that after the restructuring in the 90s, the AEA has not had the authority to control its project list or where to spend its resources. What has happened was

that the legislature tended to pass statewide legislative capital projects to AEA without employing a cohesive approach to use the state's finite resources in terms of the build out of energy. He stressed that currently the AEA doesn't necessarily have the tools to do so. He suggested that the Susitna/Watana project illustrates how the process works. For example, the state has expended over \$200 million on the project, but by investing an additional \$100 million to get to licensing, the state would have an asset it could sell on the market to recover some costs. He said it would be a shame to not finish the licensing process, but this scenario is emblematic of the struggles of the energy authority.

[4:47:08 PM](#)

REPRESENTATIVE HUGHES commented that Mr. Short brings excellent expertise to the board. She hoped he would also be able to carve out time for his family.

[4:47:58 PM](#)

CHAIR OLSON, after first determining no one wished to testify, closed public testimony on the confirmation hearing.

[4:48:17 PM](#)

KONRAD JACKSON, Staff, Representative Kurt Olson, Alaska State Legislature, on behalf of the House Labor & Commerce Committee, Representative Olson, Chair, stated that all members have [been provided with the names of each of the governor's 39 appointments] and have had an opportunity to review the resumes. With the exception of those appointees who have appeared before the committee, no concerns have been expressed about their qualifications. He then read the names of appointees into the record [as listed in the Committee Calendar].

[4:51:27 PM](#)

REPRESENTATIVE HUGHES remarked that she has noticed the representation on boards and commissions has not reflected the growth the Mat-Su Valley area has experienced. She wanted to make certain this administration could take that into consideration.

CHAIR OLSON remarked that a number of people would agree with those sentiments.

[4:52:11 PM](#)

REPRESENTATIVE HUGHES moved to advance the confirmations of the [39] appointees referred to the House Labor and Commerce Standing Committee to a joint session of the House and Senate for consideration. She reminded the members that signing the reports regarding appointments to boards and commissions in no way reflects individual members' approval or disapproval of the appointees, and that the nominations are merely forwarded to the full legislature for confirmation or rejection. There being no objection, the confirmations for the [39] appointees were advanced.

[4:52:42 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:52 p.m.