

SENATE FINANCE COMMITTEE
THIRD SPECIAL SESSION
October 28, 2015
9:06 a.m.

9:06:08 AM

CALL TO ORDER

Co-Chair MacKinnon called the Senate Finance Committee meeting to order at 8:49 a.m.

MEMBERS PRESENT

Senator Anna MacKinnon, Co-Chair
Senator Pete Kelly, Co-Chair
Senator Peter Micciche, Vice -Chair
Senator Click Bishop
Senator Mike Dunleavy
Senator Lyman Hoffman
Senator Donny Olson

MEMBERS ABSENT

None

ALSO PRESENT

Joe Dubler, Vice President and Chief Financial Officer, Alaska Gasline Development Corporation; Senator Gary Stevens; Senator John Coghill; Senator Mia Costello; Senator Cathy Giessel; Representative Shelley Hughes; Representative Liz Vasquez; Representative Lora Reinbold; Representative Andy Josephson; Senator Charlie Huggins; Ken Vassar, General Council, Alaska Gasline Development Corporation; Frank Richards, Vice President, Engineering and Program Management, Alaska Gasline Development Corporation; Craig Richards, Attorney General, Department of Law; Representative Geran Tarr.

PRESENT VIA TELECONFERENCE

Daniel Fauske, President, Alaska Gasline Development Corporation; Bruce Tangeman, Alaska Gasline Development Corporation.

SUMMARY

SB 3001 APPROP: LNG PROJECT and FUND/AGDC/SUPP.

SB 3001 was HEARD and HELD in committee for further consideration.

#sb3001

SENATE BILL NO. 3001

"An Act making supplemental appropriations; making appropriations to capitalize funds; making appropriations to the general fund from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) in accordance with sec. 12(c), ch. 1, SSSLA 2015; and providing for an effective date."

9:07:33 AM

Co-Chair MacKinnon queried the location of Dan Fauske. She remarked that Mr. Fauske was a decision maker for the project. She also noted that Bruce Tangeman, who was the finance representative for the project, was also not present. She stressed that Miles Baker, the representative for Government Affairs was also not present.

JOE DUBLER, VICE PRESIDENT AND CHIEF FINANCIAL OFFICER, ALASKA GASLINE DEVELOPMENT CORPORATION, explained that Mr. Richards and he were asked to present to the committee, and the other mentioned individuals were asked not to testify in the meeting.

Co-Chair MacKinnon remarked that there were several of the committee members were able to hear an update on the project recently, and Mr. Fauske had presented some information at that time. There were many questions that he had not yet answered to the committee. She wondered who had asked that Mr. Fauske not attend the meeting. Mr. Dubler replied that the attorney general of the state asked that Mr. Fauske not be in Juneau.

Co-Chair MacKinnon requested an email be sent to the attorney general asking that he be available for upcoming hearings.

Senator Olson queried the reasoning behind the request that Mr. Fauske not attend the meeting. Mr. Dubler replied that he was not given a reason.

9:10:12 AM

AT EASE

9:13:01 AM

RECONVENED

9:13:22 AM

Senator Bishop remarked that the current appropriation was the least amount of money for the project. He felt that the principle decision-makers be present for the meetings.

Vice-Chair Micciche felt that the lack of communication from the project leadership was frustrating.

Senator Dunleavy commented that alignment and transparency were essential to moving the project forward. He did not feel that there was current alignment of the project, and he did not feel there was transparency. He remarked that inhibiting the ability for someone to be available for questions was a major problem.

Co-Chair MacKinnon remarked that Mr. Fauske is shown as the decision-maker for the project according to the organizational chart.

Senator Olson stressed that this was a time-sensitive bill. He understood that information was sometimes withheld due to the fluidity of some current decisions. He felt that there was probably a good reason to restrict access to Mr. Fauske. He shared that he was surprised by the attorney general's decision, but felt that there must be a good explanation for disallowing Mr. Fauske meeting attendance.

9:19:34 AM

Co-Chair MacKinnon acknowledged the legislators in the room.

Co-Chair Kelly explained that Dan Fauske was an important figure in the building. He stressed that Mr. Fauske was a talented and respected person. The apprehension was over concern with the attorney general.

Senator Dunleavy remarked that the attorney general was not above Mr. Fauske in the organizational chart. He felt that

the AGDC board should have some autonomy in the process. He wondered if the organizational chart may not be accurate.

Co-Chair MacKinnon shared that Mr. Fauske and other members of AGDC were available to the House Finance Committee the previous day. She shared that she would attempt to contact the attorney general or other members of AGDC.

[9:23:22 AM](#)

RECESSED

[9:56:58 AM](#)

RECONVENED

[9:57:33 AM](#)

DANIEL FAUSKE, PRESIDENT, ALASKA GASLINE DEVELOPMENT CORPORATION (via teleconference), introduced himself.

Co-Chair MacKinnon stated that there was a letter from the governor dated October 14, 2015 (copy on file). She encouraged the committee to review the letter.

[9:58:04 AM](#)

AT EASE

[9:59:21 AM](#)

RECONVENED

[9:59:29 AM](#)

Co-Chair MacKinnon stressed that the legislature was anxious to move the AKLNG project. She remarked that there was a point where the oil was transmitted. She stated that there was a point about the information for the session. She explained that Governor Walker's chief-of-staff had been in contact with Senate leadership, and had transmitted a letter. She stated that the letter had asked for all partners to send everything through the Attorney General's office.

Mr. Dubler discussed the presentation, "Alaska LNG Project Participation" (copy on file).

Mr. Dubler looked at slide 2, "Authority Granted in SB 138":

AGDC has primary responsibility for developing an Alaska LNG project on the state's behalf [AS 31.25.005 (1)]

AGDC may acquire a direct ownership interest in any component of an Alaska LNG project [AS 31.25.080 (a)(23)]

AGDC may enter into contracts related to treating, transporting, liquefying or marketing gas -in consultation with DNR and DOR [AS 31.25.080 (a)(24)]

AGDC shall assist DNR and DOR to [AS 31.24.005 (2) and (3)]:

- Maximize the value of the state's gas resources
- Provide economic benefits in the state
- Provide revenue to the state

[10:04:31 AM](#)

Senator Dunleavy surmised that AGDC had the primary responsible to develop a project. Mr. Dubler agreed.

Senator Dunleavy wondered why it was at times confusing. Mr. Dubler replied that there were many different components of the project: ownership, upstream, royalty decisions, taxing authority, etc.

Co-Chair MacKinnon looked at point 2, and wondered if AGDC's authority was implied or explicit. Mr. Dubler replied that the authority was explicit. He deferred to Mr. Vassar.

Co-Chair MacKinnon asked if the AGDC authority was specific to pipe. She believed that the legal memo outlined the pipeline facility. She wondered if TransCanada was specifically given the pipe portion of the project. She asked for further information about AS 31.25.080(a)(23).

KEN VASSAR, GENERAL COUNCIL, ALASKA GASLINE DEVELOPMENT CORPORATION, stated that AGDC's pipeline facilities acquisition authority included the pipe itself. The authority was considered a "power" not a "duty." He stressed that AGDC had the power to have ownership of the pipeline portion of the facility.

Co-Chair MacKinnon wondered if AGDC had the authority to build the pipeline. Mr. Vassar replied in the affirmative. He explained that AGDC had the power to develop, finance, and construct. He stated that AGDC had broad powers aimed at a pipeline project, like AKLNG.

Co-Chair MacKinnon queried whether the powers were explicit or implied. Mr. Vassar responded that it was an explicit power.

10:09:09 AM

Co-Chair MacKinnon wondered if the partner had responsibility for the pipe, and whether AGDC had LNG authority. Mr. Vassar responded that the original concept stated that the statute gave AGDC considerable breadth of power to develop and acquire all aspects of a pipeline project. He remarked that AGDC was directed to participate in the liquefaction plant, but not in the midstream. It was a determination by the administration for where they wanted to use AGDC's powers.

Co-Chair MacKinnon looked at bullet 4 of slide 2, and recalled that the maximum value at the well head was the responsibility of DNR. She wondered how AGDC would take on the role in concert with DNR. Mr. Dubler replied that DNR had the statutory responsibility to maximize the state's gas resources. He stated that AGDC would assist DNR to maximize the value of the resource.

Co-Chair MacKinnon remarked that there was a question in negotiating with an overseas market. She wondered why the committee should support a marketing team at AGDC versus DNR. Mr. Dubler replied that AGDC would only assist DNR in the marketing.

10:14:35 AM

Senator Bishop felt that a developing a project below budget, which shipped the gas at the cheapest price per molecule to the state would maximize the gas value.

FRANK RICHARDS, VICE PRESIDENT, ENGINEERING AND PROGRAM MANAGEMENT, ALASKA GASLINE DEVELOPMENT CORPORATION, agreed with Senator Bishop.

Co-Chair MacKinnon asked for more information about AGDC intending to not participate in the marketing. She queried the position of AGDC regarding the marketing assignment to DNR. Mr. Fauske replied that AGDC had no intention to market the gas. He remarked that there was some HB 4 language from a few years prior regarding that assignment. There was also language from SB 138. He stressed that AGDC's principle role was to decrease the capital costs. He remarked that AGDC was charged with the responsibility to aggregate the instate gas demand for the citizens. He stressed that it was not an international function for the overseas markets.

Vice-Chair Micciche looked at the authorities granted in SB 138. He queried the definition of "component." He specifically wondered if the word "component" referred to gas reserves. Mr. Vassar replied that gas reserves would not be a component.

[10:19:15 AM](#)

Vice-Chair Micciche wanted to ensure that the new AGDC subsidiary dealt only with the Interior Energy Project. Mr. Vassar responded that the subsidiary was formed solely for the purpose of aggregating and distributing gas for instate use. The language within the creation of the subsidiary may have been more expansive than the intention. He stated that expansive language was a more traditional approach to creating a corporation, because of the possibility of using the corporation for a different endeavor at a later date.

Vice-Chair Micciche prefers a narrower purpose and powers to ensure the focus of the Interior Energy Project (IEP). He understood that the state's acquisition of the assets associated with IEP was an interim ownership. He felt that the formation of the public corporation may give the impression that AGDC had a longer term plan. Mr. Dubler explained that the instate aggregator function proposed by AGDC was not solely related to IEP. The function was for every community along the pipeline route that want access to the gas. The aggregator was intended to align the communities, aggregate the gas to demand, and approach the producers to purchase the gas. He stressed that the aggregator was intended to help the facilities access the natural gas.

Vice-Chair Micciche noted that there was a broad definition in Article 4, Section (a)

Co-Chair MacKinnon remarked that AGDC had formed a subsidiary corporation. She wondered if the subsidiary had met the specific requirements set out in statute.

[10:24:35 AM](#)
AT EASE

[10:28:41 AM](#)
RECONVENED

[10:28:58 AM](#)

Co-Chair MacKinnon looked at the letter from the Governor dated October 14, 2015, which stated that presenters must be brought to Attorney General Richards before they were presented to the legislative body. She queried the reasoning for that letter.

CRAIG RICHARDS, ATTORNEY GENERAL, DEPARTMENT OF LAW, explained that it was the governor's intent behind the letter. He explained that he was the legal counsel and represented the executive branch, including representing AGDC, DNR, and DOR. He stressed that the letter directs materials be reviewed by the Attorney General. He felt that it was the appropriate use of legal counsel. He remarked that the project required the state to act more like a commercial party. He had fulfilled that role for hundreds of witnesses in his career.

Vice-Chair Micciche wondered if the legal counsel allowed for him to restrict members of certain agencies from testifying before the committee. Attorney General Richards replied that it may be considered attorney-client privilege. He felt it best to bring the individuals that were most technically knowledgeable in the subject.

Vice-Chair Micciche felt that there seemed to be some control over the message. He remarked that the legislature needed the tools in order to complete the job. He agreed with the attorney general's role, but did not agree with the control of information. Attorney General Richards explained that he wanted the individuals who had prepared the presentation to be available to the committee. He felt that those individuals had the greatest technical

knowledge. He stated that he had not instructed anyone to appear via teleconference.

Senator Bishop understood the perspective of the attorney general. He felt that there could have been less confusion, had the letter from the governor been distributed to the committee on October 14.

10:34:37 AM

Senator Dunleavy felt that there were many gaps in the information. He felt that the burden of proof was on the administration to provide information. He remarked that the situation was prolonged, because of the lack of information. Attorney General Richards agreed.

Co-Chair MacKinnon wondered if the attorney general would be available on the upcoming Friday. Attorney General Richards replied in the affirmative.

Senator Dunleavy asked if Attorney General Richards was in charge of the project. Attorney General Richards responded that he was not in charge of the project. He stated that he was the lead lawyer on the project.

Co-Chair Kelly remarked that there was not yet a fiscal note attached to the bill. He requested a standard fiscal note as soon as possible. Attorney General Richards agreed to provide that information. He wondered if he should present the Department of Law's appropriation during this meeting.

Co-Chair MacKinnon stated that he could provide a high level overview now or at a later date.

Co-Chair MacKinnon asked if Attorney General Richards had signed a confidentiality agreement for the project. Attorney General Richards replied that he had not signed a confidentiality agreement for the project.

Co-Chair MacKinnon surmised that he was at liberty to discuss most of his knowledge of the project. Attorney General Richards disagree. He explained that he, the governor, and the commissioners had not signed confidentiality agreements. He stated that there was an understanding among the parties that they would have access to the required information.

Co-Chair MacKinnon asked that he think about his previous statement. Attorney General Richards replied that he had thought about his statement.

Co-Chair MacKinnon summarized that Attorney General Richards had been given confidential information in order to make decisions, but he had not signed a confidentiality agreement. Attorney General Richards agreed.

Co-Chair MacKinnon wondered if that was acceptable behavior. Attorney General Richards replied that it had been the function of the project for some time.

Co-Chair MacKinnon asked whether Attorney General Richards was aware that Mr. Fauske and others were available for testimony in House Finance the previous day. Attorney General Richards responded that he was aware of the presence, but he did not listen to the meeting.

Co-Chair MacKinnon wondered if Attorney General Richards had any knowledge as to why they were not available during the current Senate Finance meeting. Attorney General Richards responded that he had no knowledge of the reasoning.

Senator Bishop wondered if there was a favored nation's clause in the agreement. Attorney General Richards suggested that Senator Bishop request a similar agreement.

[10:40:52 AM](#)

Vice-Chair Micciche felt that Attorney General Richards could be considered the "people's attorney general." Attorney General Richards agreed.

Vice-Chair Micciche felt that there were firewalls placed between the legislature and the executive branch. The firewalls kept the legislature from making appropriate decisions that supported the administration. Attorney General Richards replied that he represented the executive branch, and he also represented the public.

Co-Chair MacKinnon queried how the attorney general was counsel to AGDC, and where that statement fell into his description to Vice-Chair Micciche. Attorney General Richards replied that he was acting as the AGDC general

counsel. He recalled that the Department of Law represented AGDC in consultation with their corporate counsel

Co-Chair MacKinnon shared that, according to statute, the attorney general would write contracts. Therefore, she felt that a confidentiality agreement would be requirement for negotiations. She wondered how he would facilitate that role without a confidentiality agreement. Attorney General Richards replied that the agreement with the parties was that the commissioners, the attorney general, and the governor did not need to sign confidentiality agreements.

Co-Chair Kelly queried who was in charge of the project. Attorney General Richards stated that the Governor was in charge of the project.

[10:46:07 AM](#)

Co-Chair Kelly disagreed that the governor was in charge of the project. He felt that the governor was ultimately responsible. He simply wanted to know the person who would run the project. Attorney General Richards replied that the governor was in charge of the project.

Co-Chair MacKinnon felt that Attorney General Richards was in charge of the project. Attorney General Richards disagreed. He explained that he was responsible for coordinating the witnesses for the special session.

Co-Chair MacKinnon noted that all of the presentations had been vetted through the attorney general's office. Attorney General Richards responded that his role as counsel was not one of "substantive decision maker." He coordinated presentations and provided advice to the clients on their presentations.

Senator Dunleavy encouraged the committee to take a long recess in the hopes that there could be discussions.

[10:48:48 AM](#)

Co-Chair MacKinnon stated that the testimony on SB 138 was clear regarding the legislative intent for the attorney general to only serve as AGDC counsel for the development of contracts only related to AKLNG. She appreciated the thoroughness by which the attorney general had acted as counsel for the governor and the people of Alaska.

10:49:53 AM

Senator Olson queried the role of Rigdon Boykin. Attorney General Richards replied that Mr. Boykin answered to the governor and Mr. Fauske. He stressed that the team was collective and collaborative.

Senator Olson wondered if the head of AGDC could fire Rigdon Boykin. Attorney General Richards replied that he had not read the contract with Mr. Boykin, so he did not know the answer.

Co-Chair MacKinnon queried the number of times the cabinet had met since the governor was sworn into office. Attorney General Richards guessed four or five times.

Senator Bishop felt that the organizational chart was a chain of command.

Co-Chair MacKinnon felt that Attorney General Richards had read the professional services contract. Attorney General Richards disagreed. He stated that he did not generally read all of the contracts.

Co-Chair MacKinnon wondered if Attorney General Richards' name would be on the contract. Attorney General Richards replied that his name would not be on the contract.

Co-Chair MacKinnon looked at the Articles of Incorporation for the AGDC subsidiary. She queried the purpose of the new subsidiary corporation in its entirety. Attorney General Richards replied that he was acting as the state's chief lawyer in the AKLNG negotiations, which included some activities of AKLNG and AGDC. He had not been involved in the establishment of the subsidiary. He stated that he had been made aware of the subsidiary's establishment on the previous day. He stressed that he was not involved in every decision of a corporation.

Co-Chair MacKinnon noted that the presentations to the Senate Finance Committee had been elevated to Attorney General Richards' level. Attorney General Richards replied that, at the request of the governor, materials be coordinated through Attorney General Richards substantively before presentation to the legislature.

10:55:36 AM

AT EASE

11:05:27 AM

RECONVENED

11:06:20 AM

Co-Chair MacKinnon wondered why AGDC developed a subsidiary, under what authority the subsidiary was established, and the intent of the subsidiary. Mr. Fauske replied that the AGDC Board had held a meeting based on this issue. He remarked that the subsidiary was intended to begin the process for which how the gas would be delivered to Alaskans. The paperwork was filed in response to a request from the board. He stated that AGDC had prepared an instate gas demand study, that should be released soon. He stated that AGDC had worked with DNR the locations of off-take points for instate gas use. He stated that SB 138 and the AKLNG project were not responsible for instate delivery. The offtake points would be installed, but it was the responsibility of others to determine how the gas would be distributed to the citizens. He stressed that AGDC had stayed within the statutes that were originally granted under HB 4. He stated that the language of the incorporation had been taken straight from statute. He stressed that there had been no activity yet under the subsidiary. He stressed that the intention was to offer gas to the instate residents.

11:10:33 AM

Co-Chair MacKinnon surmised that AGDC would accumulate molecules and be prepared to sell the molecules across the state. Mr. Fauske replied that the subsidiary would be the aggregator to collect the molecules to ease the use of the gas for the entities. He stressed that the process had not yet begun on the process.

Co-Chair MacKinnon requested the meeting date that the board made that decision, so she could check attendance at that meeting. Mr. Fauske agreed to provide that information.

Vice-Chair Micciche stressed that legislative intent was essential. He wondered if the subsidiary precluded the state from acquiring subservice reserves, and becoming a

producer. Mr. Fauske deferred to Mr. Vassar, but he did not believe that would ever be the case.

In response to a question from Co-Chair MacKinnon, Mr. Fauske stated that the decision to create a subsidiary was made at a board meeting on September 23. He quoted the motion to create the subsidiary. He furthered that another corporation was established that could receive the assets of TransCanada, if the legislation were to pass.

Co-Chair MacKinnon wondered who was present on the meeting date. Mr. Fauske replied that the board of directors was in full attendance.

[11:15:18 AM](#)

Co-Chair MacKinnon queried the names of the state employees. Mr. Fauske replied that the assistant attorney general, Jerry Judet was in attendance. Marsha Davis, the deputy chief of staff, and other reporters were in attendance.

Co-Chair MacKinnon wanted to know the legal counsel in attendance that was requesting the formation of the subsidiaries.

Mr. Fauske explained that the request came from Marsha Davis and Rigdon Boykin.

Co-Chair MacKinnon wondered if Ms. Davis and Attorney General Richards requested the subsidiaries. Mr. Fauske responded in the affirmative. He furthered that the assistant attorney was present at the meeting.

Co-Chair MacKinnon felt like the attorney general's office requested the formation of the subsidiary. She understood that he may not have reviewed the contract, but she wanted to know if Attorney General Richards had knowledge of the creation of the corporation. She stated that she would follow up with the attorney general at a later date.

Mr. Fauske asked for a restatement of Vice-Chair Micciche's question.

[11:18:38 AM](#)

Vice-Chair Micciche wondered if the subsidiary precluded the state from acquiring subservice reserves, and becoming a producer. Mr. Fauske deferred to Mr. Vassar.

Mr. Vassar responded that upon the creation of the subsidiary, the language was used from AS 31.25.120. The statute set out that AGDC had the power to create a subsidiary corporation. The language stated that the subsidiary could be established for the purpose of acquiring natural gas from the North Slope. He read from the statute, "making that natural gas available to market in the state." He understood that there would be a concern regarding owning gas or drilling gas. He stressed that AGDC did not have that power. The acquiring of the gas was from other entities who had the power to obtain the gas. He did not believe that the subsidiary allowed for AGDC to harvest gas from the ground. He stated that AGDC operated within the appropriated funds from the legislature.

[11:22:40 AM](#)

Vice-Chair Micciche stressed that he was presenting the question to protect the state's interest, as a 25 percent partner with AKLNG. He stressed that he wanted to ensure that the state did not compete against itself. He wondered if an instate market include a smaller export facility. Mr. Vassar replied that it was not a supportable reading of the language. The instate market referenced in the statute was intended for actual use within the state. He furthered that there could be a business operating to export natural gas, AGDC could provide gas to that business in state workings. He stressed that the power did not provide the possibility for export.

Senator Dunleavy queried AGDC's position on the legislation. He specifically wondered if AGDC was in supportive of the bill as written. Mr. Fauske replied that the board had not yet discussed the bill, because the bill had not been submitted at the time of the most recent board meeting. He stated that there had been discussions about what they believed the special session's intent, including the purchase of the TransCanada acquisition. He shared that the board was intrigued by the idea, and furthered that, pending review and legislative approval, the board was ready to support the function. He stressed that there was no formal vote on their position on the legislation.

Senator Dunleavy queried Mr. Fauske's position on the legislation. Mr. Fauske responded that he liked the bill. He stressed that the issue was really a finance question. He remarked that there must be a great consideration about the intensity of the risk that Alaska will undertake with this acquisition.

Co-Chair MacKinnon wondered if Mr. Fauske was available to join the meeting later in the day. Mr. Fauske replied in the affirmative.

11:29:26 AM

RECESSED

3:03:43 PM

RECONVENED

3:04:53 PM

Co-Chair Kelly remarked that there were many discussions about who exactly was in charge on the project. He wondered if Mr. Fauske had the power to fire Rigdon Boykin. Mr. Fauske replied in the affirmative.

Co-Chair MacKinnon queried the number of subsidiaries under AGDC. Mr. Fauske replied that there were two under the Articles of Incorporation.

Co-Chair MacKinnon surmised that there were a total of two subsidiaries in AGDC. Mr. Fauske agreed.

Co-Chair MacKinnon wondered if there had been a request for more subsidiaries. Mr. Fauske responded that there were no current requests for more subsidiaries.

Co-Chair MacKinnon speculated that the board had not directed AGDC to create more subsidiaries. Mr. Fauske replied in the affirmative.

Co-Chair Kelly noted that one subsidiary was the aggregator, and he asked the purpose of the second subsidiary. Mr. Fauske responded that that the second subsidiary would hold TransCanada's interests after purchase.

Vice-Chair Micciche wondered if the full board had the opportunity to vote on the formation of the subsidiary. Mr. Fauske replied that it was a unanimous vote to approve the subsidiary.

Co-Chair MacKinnon asked if AGDC was charged to finding instate natural gas. Mr. Fauske replied that AGDC was not looked for natural gas, but were interested in delivering the gas to Alaskans.

[3:09:14 PM](#)

Co-Chair MacKinnon shared that she had been informed that AGDC had been soliciting gas for over 10 billion bcf. She queried the purpose of that amount of gas. Mr. Fauske responded that he was not aware of that issue.

Co-Chair MacKinnon wondered if AGDC was seeking gas sales contracts that would exceed the use of instate natural gas. Mr. Fauske replied that AGDC was not engaged in that activity.

In response to a question from Co-Chair Kelly, Mr. Fauske stated that the vote was 5 to zero for the formation of the subsidiary. He explained that there were two board members who were not present for the vote.

Mr. Dubler looked at slide 2, and stated that he was happy to answer questions.

Mr. Dubler highlighted slide 3, "AGDC's Role in Alaska LNG":

Signatory to the Joint Venture Agreement governing the Alaska LNG project

Hold the state's 25 percent equity interest in the LNG facility (downstream component) of the integrated project

Member of the Sponsor Group, Management Committee (ManCom) and the Project Steering Committee (PSC)

Participate in integrated project decisions

Participate in commercial negotiations related to marketing, expansion, third-party access and domestic gas supply

Plan and develop off-takes for in-state gas deliveries

3:14:40 PM

Senator Dunleavy queried the number and locations of the offtakes. He remarked that the pipeline would run through his district. Mr. Dubler replied that he was certain for three offtakes: Fairbanks, Big Lake, and Nikiski. The other offtakes faced the issue of the cost of the kit, and the cost of the pipe to run the spur line to the community.

Senator Dunleavy wondered if there were five offtakes. Mr. Dubler replied that the bill required a minimum of five offtakes, but it was a matter of whether there was a need for more use as the project was agreeable to more offtakes.

Senator Dunleavy queried the estimated cost of the offtakes. He remarked that the more offtakes increased the cost of the project. Mr. Richards explained that the offtake kit was originally grouped into four sizes, based on the volume of gas to be taken off the line. The offtake kits ranged from \$13 million to \$38 million. The transmission lines would be an additional cost, which did not include local distribution and inclusion in the communities.

Vice-Chair Micciche assumed that the price of the offtake costs included pressure regulation and odorization. Mr. Richards replied in the affirmative.

3:19:12 PM

Vice-Chair Micciche remarked that the original special session call included a gas reserves tax, but was subsequently eliminated due to letters from producers. He wondered if AGDC had a role in negotiating of the gas sales agreements, whether those producers would withdraw from AKLNG. Mr. Dubler asked for a restatement.

Vice-Chair Micciche stated that the original call for the special session included a gas tax, but the producers sent letters. He wondered if AGDC had a role in negotiating the

agreements. Mr. Dubler replied that AGDC was not involved in the agreements.

Vice-Chair Micciche surmised that AGDC had no knowledge of the negotiations. Mr. Dubler replied that AGDC was involved in the withdrawal agreement to the extent of the purchase of TransCanada's share in AKLNG.

Co-Chair MacKinnon queried the role of AGDC in the withdrawal negotiations. Mr. Dubler replied that AGDC was in the room for those negotiations, but AGDC had broad powers to enter into agreements.

Co-Chair MacKinnon wondered whether AGDC would be expected to be a party and signatory on the withdrawal agreements. Mr. Vassar replied that AGDC had the power to involve in the negotiations, but were not necessarily expected to be part of the negotiations.

Co-Chair MacKinnon wondered how the state would not be burdened by too much gas that may not sell. Mr. Vassar responded that the withdrawal provision stated that the remaining parties would have expanded authority under the agreement to take over the withdrawing party.

[3:25:24 PM](#)

Co-Chair MacKinnon stated that the role of AGDC outlined in the Heads of Agreement (HOA) (copy on file) was specifically related to the LNG portion of project expansion. She queried the names of individuals within AGDC with expansion and third party negotiation skills. Mr. Dubler responded that there were various individuals with the related experience. He stated that Dale Kleppin had worked for many years with BP. Lesil Wilcox also had experience with BP, and had run the ASAP project in 2010. Steve Pratt was a commercial analyst at AGDC, who had worked extensively with the Regulatory Commission of Alaska (RCA) and small communities. He stated that there was a contractor on Sussex Economic Advisors related to utility work.

Co-Chair MacKinnon wondered if anyone of those individuals had worked on a pipeline, or the expansion agreements. Mr. Dubler replied that he did not believe any of the individuals had worked on those aspects.

Co-Chair MacKinnon stressed that the primary role of AGDC was supposed to be LNG, but there were secured contractors for other activities. She wondered if there was work plan to commercialize the third party expansion. Mr. Dubler replied that the expansion would occur after first gas and first commercial operations. At that point, the company that was running the pipeline would be in charge of the expansion. He remarked that there was a detailed project that dictated how an expansion would occur.

[3:30:03 PM](#)

Co-Chair MacKinnon looked at Appendix A of the HOA. She read from the HOA:

The potential expansion of any component of the Alaska LNG Project, excluding the modification of an installed Alaska LNG Project liquefaction train or installation of a new liquefaction train would be addressed in the agreements to be developed during Pre-FEED reflecting the following principles.

Co-Chair MacKinnon hoped that there would be the appropriate personnel to handle the commercial aspects of the buyout. Mr. Dubler replied that AGDC was currently negotiating the buyout agreements.

Co-Chair MacKinnon asked what expertise was involved in those negotiations. Mr. Dubler replied that there was counsel that have worldwide LNG experience; AGDC staff; and DOR who were involved in the negotiations.

Mr. Fauske shared that TransCanada was willing to contribute twelve seconded employees.

Vice-Chair Micciche wondered if the state of Alaska and AGDC were aligned on the subject of expansion and third party access. Mr. Dubler replied that AGDC had supported DNR. He stated that DNR had led the effort on negotiation and third party access, as the gas owner and regulator in charge of overseeing the development of the state's resources.

Vice-Chair Micciche asked if the state and AGDC had aligned principles. Mr. Dubler replied in the affirmative.

Co-Chair MacKinnon quoted page 21 of the HOA:

Any Alaska LNG party may initiate the process for expansion of any component of the Alaska LNG Project.

Co-Chair MacKinnon queried AGDC's total budget.

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BRUCE TANGEMAN, ALASKA GASLINE DEVELOPMENT CORPORATION (via teleconference), shared that the operating budget for the instate pipeline corporate side was approximately \$10 million. The AKLNG participation component was almost \$3 million.

Co-Chair MacKinnon announced that the combined state investment total AGDC budget was approximately \$13 million. Mr. Tangeman agreed.

Co-Chair MacKinnon wondered why AGDC did not have actual hired commercial expertise to expand or allow for third party entry. She understood that the TransCanada secondees would only be employed by AGDC for a limited period of time. Mr. Fauske replied that the project was not currently in the midstream or upstream portion. He stated that AGDC was assisting DNR and others to address different size pipes; the right of way access; and other issues. He stated that the discussion of hiring new people was related to the successful passage of the current bill, which would then transfer the work to AGDC. He stressed that the expansion was a key negotiation at the commercial level and with the administration working on the AKLNG project. He remarked that that there was a variety of agreements, including expansion.

Co-Chair MacKinnon stressed that TransCanada currently had the expansion expertise, and the state was proposing a buyout of that expertise. She understood that AGDC was the recipient of that receipt. Mr. Fauske did not hear the question.

Co-Chair MacKinnon restated her question. She wondered if AGDC was the intended recipient of the expansion expertise. Mr. Fauske replied in the affirmative.

Co-Chair MacKinnon wondered if Mr. Fauske signed the HOA. Mr. Fauske responded in the affirmative.

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Co-Chair MacKinnon shared that during Pre-FEED, the state was supposed to understand expansion and third party access. She wondered if AGDC was prepared to develop those commercial agreements. Mr. Fauske deferred to Mr. Dubler.

Mr. Dubler responded that AGDC was currently participating in those negotiation agreements. He stated that there was a budgetary differential to accommodate the buyout of TransCanada, and to replace some of the TransCanada buyout.

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Co-Chair MacKinnon suggested that AGDC secure a plan for securing the commercial expertise. Mr. Dubler agreed to provide that information.

Mr. Fauske remarked that Mr. Klepin had been significantly involved in expansion discussions. Mr. Dubler agreed.

Mr. Fauske he stressed that AGDC had the commercial expertise, but agreed to enhance the system if so desired.

Co-Chair MacKinnon queried the number of individuals from AGDC were on the AKLNG project team. Mr. Richards replied that there would be a slide that addressed that number. He wondered if her desired number was related to the governing structure and project delivery method.

Co-Chair MacKinnon stressed that there were partners that were advancing the AKLNG project. She wondered if there were any state employees that had a role on the project. Mr. Richards replied that AGDC did not have anyone on the project management team, which was led by Steve Butt and ExxonMobil.

Co-Chair MacKinnon queried the reasoning behind AGDC's nonparticipation on the management teams. Mr. Richards responded that AGDC was attending the meetings of the Project Steering Committee. He explained that there were no individuals on the project management team, because at the time of SB 138's passage, AGDC's expertise was focused on the ASAP project. He stated that after SB 138, AGDC hired Fritz Cruzen who had worked with ConocoPhillips. He stated that Mr. Cruzen had filled the expertise related to AKLNG.

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Co-Chair MacKinnon asked if all of the team locations were in Alaska. Mr. Richards replied that the project management team was a group of 138 co-venture employees who were seconded on a temporary basis, with headquarter in Houston, Texas. He furthered that there were some team members located in the cities of the major contracting development. He stated that the pipeline portion of the team was led by Willy Parsons. He stated that the gas treatment facility portion was led by AECOM in Denver, Colorado. He concluded that the LNG facilities was led in Houston.

Co-Chair MacKinnon asked whether Alaskans had traveled into the markets to witness the happenings at the team level for AKLNG. She felt that the state may not be as involved as possible, with the extensive investment. Mr. Richards replied that Fritz Cruzen was on the Project Steering Committee, and attended meetings across the major subproject groups.

Co-Chair MacKinnon wondered if there was a missed opportunity to have Alaskans develop the project outside of the state. Mr. Richards replied that he was asked to be nominated in the project management team. He remarked that an individual was recently nominated.

Vice-Chair Micciche noted that TransCanada currently held two leadership positions. He wondered if those positions would shift after Alaska takes over TransCanada's role. Mr. Richards replied that the HOA outlined that the assignment of individuals to the Project Management Team was through a nomination process. The co-venture members could nominate individuals who could meet the job functions and duties as outlined. He stated that AGDC could nominated skilled individuals to those positions. He shared that the Project Management Team desired AGDC representation.

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Vice-Chair Micciche wanted the state to hold an appropriate level of representation on the Project Management Team. He wondered if AGDC had a similar goal. Mr. Richards replied in the affirmative.

Senator Bishop remarked that there was some concern about expertise. He wondered if the legislature had adequately

funded the AGDC budget, to ensure the expertise. He asked if there was a possibility to recruit the expertise, given the current economic climate. Mr. Richards replied that AGDC originally wanted to create a bureaucracy, but rather utilize the resources available in Alaska in the contracting arena. He noted that the organizational chart showed that AGDC, corporately, had a small number of technical and commercial personnel. He stressed that AGDC relied on the contracted expertise.

Senator Bishop stressed that AGDC should have the best available personnel.

Senator Olson queried the difference in employee distribution between the ASAP project and the AKLNG project. Mr. Richards replied that, at the time of ASAP's inception, he was the only technical employee of AGDC. He stated that ASAP had built a project management team in a similar function as AKLNG. He stated that ASAP had 12 senior credentialed technical managers with worldwide construction, pipeline, and arctic experience. He announced that over approximately one to two years there were approximately 1 million labor hours expended through approximately 220 individuals to develop the pipeline and treatment facility. He explained that, on the AKLNG project, AGDC had the one AKLNG employee: Fritz Cruzen. He stated that there would be further hired employees and contractors to meet the needs starting at mid-stream.

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Senator Olson wondered if there were any current seconded employees. Mr. Richards responded that there were no current seconded employees in the AKLNG project.

Senator Olson noted that ASAP had not had a recent strong focus. He felt that AGDC did not have a significant focus on AKLNG, with only one person represented on the Steering Committee. Mr. Richards responded that the work on ASAP was significantly curtailed, because the major work effort was complete. He remarked that ASAP had highlighted activities that AGDC would complete that would be of benefit to any pipeline project. He stated that there was additional field work and engineering for AKLNG. He stressed that AGDC had a responsibility for only the LNG portion of the plant. He stressed that AGDC had relied on Mr. Cruzen to turn to the team of technical expertise in the contracting realm.

Mr. Fauske furthered that Mr. Cruzen was available for comment.

Senator Dunleavy felt that the major producers would retain their most skilled personnel. He wondered how AGDC would compete with those skilled individuals. Mr. Richards replied that an Alaska project attracts individuals that want to be involved. He stated that there were some who were nearing the end of their careers who wanted to experience Alaska. He stressed that Alaska was seen as an important step, because of the magnitude and significance of the AKLNG project. He stated that there were many extremely experienced individuals who had approached AGDC.

[3:59:26 PM](#)

Mr. Dubler discussed slide 4, "Alaska LNG Project Participation":

AGDC holds State's interest in downstream: LNG Facility

TransCanada holds State's interest in mid-stream: Pipeline and GTP

Mr. Dubler highlighted slide 5, "Governance Related Issues":

Equity Alignment: State's share of gas in the project (25 percent) is not equal to its current equity in the integrated project:

State, through AGDC, holds 25 percent in the downstream (LNG plant)

TC holds 25 percent in the midstream (pipeline and GTP)

State's resulting equity in the integrated project is ~ 12.5 percent

Voting Rights: State doesn't have full voting participation in all project decisions:

State, through AGDC, votes on downstream issues

TC votes on mid-stream issues

If TC exits, AGDC would have full voting rights on each project component and in all integrated project decisions

Mr. Dubler explained that the slide showed some governance issues.

Co-Chair MacKinnon wondered if there were any decisions that did not have consensus between the state and TransCanada. Mr. Dubler replied in the negative.

Co-Chair MacKinnon remarked that Commissioner Myers had attempted to describe different perspectives on casting the vote. She understood that, originally, TransCanada would be kept, rather than the state stepping into a political role. She queried an example of how a future decision would place the state at odds with a good business decision for TransCanada, but a better decision for the state. Mr. Dubler did not know of any example, but agreed to provide that information.

Co-Chair MacKinnon stressed that it was helpful to understand the differing interest in TransCanada. Mr. Dubler remarked that the state was concerned with keeping the costs low. He stressed that TransCanada had not taken any cost risk.

Co-Chair MacKinnon shared that TransCanada was extremely professional, and had not severed a relationship with the state.

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Senator Bishop wondered if the state would have full voting rights, upon approval of the bill. Mr. Dubler replied in the affirmative, and specified that the state would have the full 25 percent voting rights.

Senator Bishop asked if Mr. Fauske would be the voting representative for the state. Mr. Dubler replied that the voting right, depended on the issue. He explained that there were certain items that were resolved at various levels. He stated that the important decisions at AGDC were governed by a strict protocol with the board.

Senator Bishop surmised that more than one person could cast the vote depending on the subject. Mr. Dubler responded that each vote would have one person voting, but there may be different people at each vote.

Senator Bishop asked if the problem would be addressed with the AGDC board before the problem was addressed with the project team. Mr. Dubler replied in the affirmative.

Co-Chair MacKinnon looked at the organizational chart. She wondered who was voting and who had voting authority. She noted that there were four decision makers in the chart plus the governor at the top of the chart. She wanted to understand how AGDC was determining who would cast the vote. She wanted to know who specifically was casting the vote. She wondered what would occur if the AGDC board did not agree with the plan to buyout TransCanada. Mr. Dubler replied that AGDC would vote "no."

[4:10:00 PM](#)

Co-Chair MacKinnon asked what would happen to the AKLNG project, if the board disagreed with the plan. Mr. Dubler replied that most of those items did not have a vote in the project aspect.

Co-Chair MacKinnon requested the flow chart for the decisions. Mr. Dubler agreed to provide that information.

Vice-Chair Micciche stressed that the committee did not want to torture AGDC. He stated that the committee wanted to understand who was voting and who was in charge of the project in the state.

Co-Chair MacKinnon agreed with Vice-Chair Micciche's comments.

[4:15:11 PM](#)

Senator Olson felt that there was a lack in technical qualifications in AGDC. Mr. Dubler replied that AGDC had qualified individuals, and agreed to provide resumes.

Senator Olson felt there had to be more qualified individuals.

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[4:18:30 PM](#)

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Mr. Dubler highlighted slide 6, "Project Governance." The left box demonstrated the participants in the Sponsors Group.

Mr. Richards discussed slide 7, "Project Management Team (PMT)." He stated that TransCanada currently had two individuals in the leadership structure of the PMT.

Mr. Richards looked at slide 8, "Project Management Team (PMT)."

Project Management Team (PMT) created by Alaska LNG co-venture partners (CoVs) to lead day-to-day project development

PMT is led by ExxonMobil's Steve Butt and staffed with other CoV employees who have been seconded to the project

CoVs nominate employees based on skills and experience

PMT evaluates nominees and Management Committee approves

Positions are filled using a "best player plays" approach

Secondees salary and expenses covered by project

AGDC is active at all governance levels -Sponsors, ManCom and PSC

AGDC does not currently have employees seconded to PMT

PMT hires engineering and specialist contractors to advance design efforts

Vast majority of project work is done by contractors under the supervision of the PMT

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Mr. Richards discussed slide 9, "Project Management Team (PMT)":

Staffing Principles

Leverage existing company strengths -ensure "right person, right job" or "best player plays"

Joint Venture Agreement (JVA) parties can nominate employees for any position

Ensure all parties are represented at leadership levels

Locate teams for maximum effectiveness; co-located with major contractors where appropriate

Appointments to leadership roles require unanimous approval of the parties

[4:25:21 PM](#)

Co-Chair MacKinnon requested a written statement of how AGDC was engaging with the different components. Mr. Richards agreed to provide that information.

Mr. Richards continued to look at slide 9.

Mr. Richards looked at slide 10, "TransCanada's Role Alaska LNG":

Hold the state's 25 percent interest in the project's mid-stream: pipeline and gas treatment plant (GTP)

Fund pre-FEED cash calls associated with the state's mid-stream interest

12 secondees, primarily pipeline Subject Matter Experts (SME), in the Project Management Team

Leadership team, Pipeline Project Manager (1 of 9)

Key role, Pipeline Facilities Engineering Manager (1 of 18)

Environmental, Regulatory, and Land (ERL) (1 of 32)

Gas Treatment Plant sub-project (1 of 17)

Pipeline sub-project (8 of 36)

Mr. Richards highlighted slide 11, "TransCanada's Role Alaska LNG":

TransCanada (TC) is not expected to build the pipeline that will be managed by the PMT

If TC exits the project, the PMT will seek nominations for the vacated positions

TC has offered to allow its PMT employees to remain during a transition period

All CoVs, including AGDC, can nominate employees to fill those positions

AGDC has individuals qualified to nominate for Pipeline and GTP openings

Mr. Richards looked at slide 12, "AGDC Technical Team-Skills":

AGDC's technical staff:

Senior credentialed professionals with industry and mega-project backgrounds

Arctic pipeline and facilities design, construction, and operations experience

Alaska-specific design and construction experience

Major capital project management expertise

Working knowledge of technical and regulatory assets owned by AGDC

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Co-Chair MacKinnon wondered if AGDC would provide a plan for third party expansion by March 1, 2016. Mr. Richards agreed to provide that information.

Mr. Richards highlighted slide 13, "AGDC Technical Team - Results":

AGDC completed development of the Alaska Stand Alone Pipeline (ASAP) Project:

Completed Pre-FEED and FEED for North Slope gas treatment facility, 733-mile mainline, and 30-mile Fairbanks lateral pipeline

Completed Class 3 cost estimate and project execution plan

Delivered on time and under budget

Core technical team still engaged on an interim basis pending state policy decisions

Mr. Richards looked at slide 14, "AGDC Ability to Assume TC's Role":

Currently holds state's interest in LNG facility -a complex and expensive component in the integrated project

Already assumed TC's role in coordinating the FERC NEPA process

Engaging on mid-stream technical issues currently

Technical staff available to fill PMT positions as necessary:

Subject Matter Experts (SME) based in Alaska

Key roles in prior Alaska pipeline projects, including TAPS

Dedicated professionals committed to SOA interests

Vice-Chair Micciche requested the prior year's meeting minutes. Mr. Richards agreed to provide that information.

4:35:09 PM

Mr. Richards addressed slide 15, "Alaska LNG Appropriations to Date." He explained that the top portion of the slide was the capitalization of the AKLNG fund, with SB 138. The capitalization provided funding for AGDC's participation in AKLNG for FY 14 and FY 15, based on the cash call expectations. He furthered that there was DOR project financing report in the fund, and a Department of Transportation and Public Facilities (DOT/PF) field study. The total fund capitalization was \$69.835 million. He shared that the chart was intended to show AGDC spending through FY 16, so some of the numbers indicated projections through the remainder of the year.

Vice-Chair Micciche queried if AGDC was funding the 15 seconded positions from TransCanada until May 2016. Mr. Dubler replied that AGDC would not take on those costs, rather the project would take on the costs, and TransCanada would be reimbursed by the lead party of the project.

Vice-Chair Micciche wondered if there would be an evaluation to determine whether all employees would be needed. Mr. Dubler replied that the team would constantly analyze their staffing needs.

Co-Chair MacKinnon queried the individual who would make that decision in the organizational chart on whether the secondees remain on the project. Mr. Dubler replied that the lead party would make the determination.

Co-Chair MacKinnon surmised that the seconded employees' retention decision would be made inside the project. Mr. Dubler agreed.

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Co-Chair MacKinnon looked at page 2, Section 2 of the bill, which showed authorization of \$5 million for program receipts as reimbursement for field work. She wondered if that was related to recent discussion. Mr. Richards replied with page 15 of the bill, which showed the final line of reimbursement due to AGDC for AKLNG project work of \$2.75 million. He stressed that it was an estimate for work that AGDC had performed for the AKLNG project.

Co-Chair MacKinnon wondered if the state had received any other reimbursements from the project. Mr. Richards replied that the state had not received any other reimbursements for the project.

Co-Chair MacKinnon asked if it was believed that the state needed \$5 million of program receipt authority, or as shown on slide 15, \$2.5 million. She wondered if there were other state contributions inside of the \$5 million requested receipt authority. Mr. Richards responded that AGDC had another responsibility for the instate natural gas pipeline fund. He stated that AGDC anticipated the AKLNG project reimbursing that fund for a payment for an exchange of information that the AKLNG project had purchased from AGDC.

Mr. Dubler highlighted slide 16, "AGDC Special Session Appropriations":

Capital Appropriation (\$144,045.0)

- \$68,445.0 -Reimburse TransCanada and "buy-out" their mid-stream interest
- \$75,600.0 -Fund state's full 25 percent share of remaining pre-FEED

Receipt Authority (\$5,000.0): Statutory Designated Program Receipts (SDPR)

- Allow AGDC to be reimbursed for Alaska LNG related field work conducted on behalf of the project

Co-Chair MacKinnon remarked that there would eventually be more clarity on the \$5 million receipt authority.

Mr. Richards addressed slide 17, "AGDC Special Session Appropriations." He explained that DNR had represented that the anticipated TransCanada payment was approximately \$108 million. The slide reconciled the \$108 million to the current request.

Senator Bishop looked at the increase in the scope change. He asked what that increase would be. Mr. Dubler replied with slide 18, "Pre-FEED Scope and Budget Changes":

Pre-FEED scope and schedule will increase by \$182 million to \$694 million:

State's total share is \$173 million --\$66 million liquefaction plant, \$107 million mid-stream (GTP and pipe)

Advancing work into pre-FEED is important to have the best information available to complete internal review and make FEED decision

Project is maturing through the stage-gate development process

Moving some activities from FEED to Pre-FEED to facilitate better design and decision making

[4:45:44 PM](#)

Senator Bishop felt that accelerating the regulatory issues in the beginning would result in accelerated construction. Mr. Richards replied that accelerating the regulatory process was intended to provide more clarity in making informed decisions.

Mr. Dubler stated that slide 9 would address some of Senator Bishop's concerns.

Mr. Richards discussed slide 19, "Pre-FEED Scope and Budget Changes":

Scope changes are designed to improve project economics, permitting outcomes and the quality of information available for FEED evaluation:

Component level optimization to lower capital costs and improve project economics (\$57 million)

Increase scope of geotechnical and geohazard work at GTP and LNG sites (\$29 million)

Increase regulatory and pre-bid work on FEED contracting; complete weather delayed off-shore field work (\$66 million)

Bring 48 inch pipe deliverables up to 42" level of development (\$30 million)

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Senator Olson wondered how much longer Rigdon Boykin would be contracted with the state. Mr. Fauske replied that his contract was through December 31, 2015.

Senator Olson felt that Mr. Boykin wanted AGDC to head up marketing. Mr. Fauske replied that AGDC was not actively seeking the marketing aspect. He stated that marketing was a DNR function.

Senator Olson wondered if DNR had the expertise to market the gas. Mr. Fauske responded that DNR was advocating for money to obtain that expertise.

Senator Olson commented that only one entity should market on the state's behalf.

Vice-Chair Micciche stated that TransCanada had been significantly involved in the state. He expressed gratefulness for TransCanada's investment in the state.

Co-Chair MacKinnon wondered if there were any closing comments.

Mr. Richards stated that AGDC was created as an independent corporation. He appreciated the support of the committee.

Mr. Dubler thanked the committee.

Co-Chair MacKinnon thanked all of the testifiers, and those who were listening.

Senator Dunleavy requested an updated organizational chart, and a review of the bill where the administration feels that there could be fiscal notes.

Co-Chair MacKinnon remarked that appropriation bills did not historically have fiscal notes.

Senator Olson expressed concern about the delivery of information. He felt that the process and progress should provide more timely information. He stressed that the board members were even unaware of some information. Co-Chair MacKinnon discussed the following day's agenda.

SB 3001 was HEARD and HELD in committee for further consideration.

ADJOURNMENT
4:58:18 PM

The meeting was adjourned at 4:58 p.m.