

ALASKA STATE LEGISLATURE
SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

March 5, 2019

3:30 p.m.

MEMBERS PRESENT

Senator Click Bishop, Chair
Senator Chris Birch, Vice Chair
Senator Mia Costello
Senator Lyman Hoffman
Senator Elvi Gray-Jackson

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CONFIRMATION HEARING:

Regulatory Commission of Alaska - Commissioner
Dan Sullivan - Anchorage

- CONFIRMATION ADVANCED

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

DAN SULLIVAN, Commissioner Appointee
Regulatory Commission of Alaska
Anchorage, Alaska

POSITION STATEMENT: Provided testimony on his appointment to the
Regulatory Commission of Alaska.

ACTION NARRATIVE

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CHAIR CLICK BISHOP called the Senate Community and Regional
Affairs Standing Committee meeting to order at 3:30 p.m. Present

at the call to order were Senators Birch, Costello, Hoffman, Gray-Jackson, and Chair Bishop.

CONFIRMATION HEARING:
Commissioner, Regulatory Commission of Alaska

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CHAIR BISHOP announced the consideration of Dan Sullivan as commissioner appointee to the Regulatory Commission of Alaska (RCA).

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DAN SULLIVAN, Commissioner Appointee, Public Seat, Regulatory Commission of Alaska, Anchorage, Alaska, said his experience that relates to the RCA started over 30 years ago. He provided his curriculum vitae as follows:

- The Sullivan Group:
 - His company represented major international oil producers for six years:
 - Marathon Oil,
 - Philips Petroleum.
 - He addressed many statutory and regulatory issues for the oil producers, an early introduction into the world of regulated oil and gas producers.
- 1999-2008:
 - Served on the Anchorage Municipal Assembly:
 - Served as chair from 2006-2007.
 - Mayor from 2009-2015.
 - Dealt with issues pertaining to two regulated utilities in Anchorage:
 - Anchorage Water and Wastewater Utility,
 - Municipal Light and Power.
- 2003-2010:
 - Appointed by three different governors to serve on the Alaska Natural Gas Development Authority Board of Directors:
 - Voter approved pipeline project.
 - Worked seven years on every aspect of developing a natural gas pipeline:
 - One of the jobs of the RCA is tariffs on pipelines and that was an integral part of what the board did.
- 2009-2010:
 - Formed the Mayor's Energy Task Force:

- Addressed the looming shortage of gas supply in Cook Inlet:
 - Met with stakeholders to make sure there was reliable gas in Cook Inlet.
- Joined with the mayors of Kenai and Mat-Su Borough to start brownout drills because the Cook Inlet gas supply was in jeopardy.
- Legislature passed bills to incentivize gas exploration and storage in Cook Inlet.

COMMISSIONER APPOINTEE SULLIVAN opined that utilities have a constant need to keep their facilities upgraded so they can provide reliability; however, at the same there must be balance so that consumers aren't paying an exorbitant rate beyond what would be normally expected to get those services. He said he brings a good wealth of knowledge to the RCA but conceded that there is a lot to learn. He noted that the RCA had a meeting earlier that day and opined that his participation on various proposals was valuable.

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SENATOR GRAY-JACKSON pointed out that the sale of Municipal Light and Gas (ML&P) to Chugiak Electric is going before the RCA. She noted that Commissioner Appointee Sullivan has been outspoken about the sale of ML&P to Chugiak Electric and asked if he felt the same today.

COMMISSIONER APPOINTEE SULLIVAN specified that his previous remarks regarding the sale were directed towards the process. He explained that the Municipality of Anchorage charter requires a 60-percent vote of the people to sell a municipal utility; however, the vote requirement was changed to 50 percent specifically for the ML&P sale. He said he did not like the charter to be tinkered with for special interest legislation. He opined that if something is of great value and can be explained to the public, there is no reason to change the charter requirement. However, the vote was over 60 percent in favor of the sale and that satisfied his concerns about the process.

SENATOR COSTELLO opined that RCA appointments are one of the most significant that the Legislature makes and she was happy that Mr. Sullivan would be appointed.

She asked if he was open to reviewing outdated regulations and possibly taking them off the books if it appears that the environment is different.

COMMISSIONER APPOINTEE SULLIVAN answered he was absolutely willing to do so. He noted that during the RCA meeting earlier in the day the question came up regarding the inconsistency in regulating a particular aspect of a company's business. He said he always supports simplification and thinks that in many cases government has gotten too complicated for people and businesses to easily navigate. He stated that he will do what he can to simplify things while keeping in mind that the watchdog purpose of the RCA must be balanced. He opined that he is good at that.

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CHAIR BISHOP asked what his strongest suit is that he brings to the RCA.

COMMISSIONER APPOINTEE SULLIVAN answered that he has always prided himself as an analytical person who reads documents, gets all the information he can, and makes his decisions based on "factual" information and not on an emotional reaction. He opined that his analytical approach is an important attribute because there are many issues that require board members to do their homework and learn the facts, something that he believes he does in a calm and respectful way. He conceded that meetings can get emotional at times when there is a lot at stake. He said his analytical attribute will allow him to be responsibly knowledgeable, calm and collected, and he will offer his opinions with the greatest respect to the people he is directing his opinions towards.

CHAIR BISHOP noted that Commissioner Appointee is a fourth-generation Alaskan from Fairbanks Creek, Alaska.

COMMISSIONER APPOINTEE SULLIVAN replied that he grew up in Fairbanks Creek, noting that his family mined in the area in the early 1900s. He said some family members still have gold claims in the area.

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SENATOR BIRCH said he and Commissioner Appointee Sullivan served on the Anchorage Municipal Assembly together and he can attest that Mayor Sullivan always worked hard and did his homework.

He mentioned the keen interest in ensuring that Alaska is open for business and asked how he sees improving the regulatory environment if there are redundancies or measures that are not effective in serving a public purpose.

COMMISSIONER APPOINTEE SULLIVAN answered that one commissioner cannot change any process because the panel has five members, and everybody has their own viewpoint. However, there seems to be a general consensus that if businesses should be as efficient as possible. He noted that in the telecommunications business there have been efforts to expand deregulation. The wireless carriers have a lighter set of regulations than the hardline carriers and efforts are underway to combine the two groups into one less regulated business. He said the RCA is going to look at those opportunities in virtually everything the commission regulates.

COMMISSIONER APPOINTEE SULLIVAN concluded that if removing regulation and letting people work under statutes and jurisdictions makes sense, RCA will try and do that.

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CHAIR BISHOP opened public testimony.

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CHAIR BISHOP closed public testimony.

[3:44:11 PM](#)

CHAIR BISHOP stated that in accordance with AS 39.05.080, the Senate Community and Regional Affairs Standing Committee reviewed the following and recommends the appointment be forwarded to a joint session for consideration:

Commissioner, Regulatory Commission of Alaska
Dan Sullivan - Anchorage

CHAIR BISHOP reminded members that this does not reflect an intent by any of the members to vote for or against the confirmation of the individual during any further sessions.

He detailed that this RCA board appointment runs from March 1, 2019 to March 1, 2025.

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There being no further business to come before the committee, Chair Bishop adjourned the Senate Community and Regional Affairs Standing Committee meeting at 3:44 p.m.