

**ALASKA STATE LEGISLATURE  
HOUSE RESOURCES STANDING COMMITTEE**

May 15, 2025

1:03 p.m.

**MEMBERS PRESENT**

Representative Robyn Niayuq Burke, Co-Chair  
Representative Maxine Dibert, Co-Chair  
Representative Carolyn Hall  
Representative Donna Mears (via teleconference)  
Representative Zack Fields  
Representative Dan Saddler  
Representative George Rauscher  
Representative Julie Coulombe  
Representative Bill Elam

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

HOUSE JOINT RESOLUTION NO. 26

Requesting that the United States Congress appropriate authorized federal workforce development funds to train state residents for the development, construction, and operation of the Alaska liquefied natural gas project; and encouraging the hiring of residents and the use of state-based small businesses in the development, construction, and operation of the Alaska liquefied natural gas project.

- MOVED CSHJR 26(RES) OUT OF COMMITTEE

HOUSE BILL NO. 119

"An Act relating to an in-state natural gas pipeline developed by the Alaska Gasline Development Corporation; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 206

"An Act relating to disclosure of oil and gas production tax information."

- HEARD & HELD

COMMITTEE SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 19(RES)  
Urging the United States Congress to honor the terms of the Mineral Leasing Act and the Alaska Statehood Act and provide the state with a 90 percent share of all bonuses, royalties, and rentals received by the federal government from the Arctic National Wildlife Refuge and the National Petroleum Reserve in Alaska.

- BILL HEARING CANCELED

**PREVIOUS COMMITTEE ACTION**

BILL: HJR 26

SHORT TITLE: AK LNG PROJECT WORKFORCE DEVELOPMENT

SPONSOR(s): REPRESENTATIVE(s) ELAM

05/07/25	(H)	READ THE FIRST TIME - REFERRALS
05/07/25	(H)	RES
05/12/25	(H)	RES AT 1:00 PM BARNES 124
05/12/25	(H)	-- MEETING CANCELED --
05/15/25	(H)	RES AT 1:00 PM BARNES 124

BILL: HB 119

SHORT TITLE: GAS PIPELINE FAIRBANKS SPUR

SPONSOR(s): REPRESENTATIVE(s) STAPP

02/26/25	(H)	READ THE FIRST TIME - REFERRALS
02/26/25	(H)	STA, RES
03/06/25	(H)	STA AT 3:15 PM GRUENBERG 120
03/06/25	(H)	Heard & Held
03/06/25	(H)	MINUTE(STA)
03/11/25	(H)	STA AT 3:15 PM GRUENBERG 120
03/11/25	(H)	Heard & Held
03/11/25	(H)	MINUTE(STA)
05/06/25	(H)	STA AT 3:15 PM GRUENBERG 120
05/06/25	(H)	Moved CSHB 119(STA) Out of Committee
05/06/25	(H)	MINUTE(STA)
05/07/25	(H)	STA RPT CS(STA) NEW TITLE 2DP 5AM
05/07/25	(H)	DP: HOLLAND, CARRICK
05/07/25	(H)	AM: VANCE, MCCABE, MOORE, HIMSCHOOT, STORY
05/12/25	(H)	RES AT 1:00 PM BARNES 124
05/12/25	(H)	-- MEETING CANCELED --
05/15/25	(H)	RES AT 1:00 PM BARNES 124

BILL: HB 206

SHORT TITLE: OIL AND GAS DATA  
SPONSOR(s): REPRESENTATIVE(s) MEARS

04/22/25	(H)	READ THE FIRST TIME - REFERRALS
04/22/25	(H)	RES, FIN
05/14/25	(H)	RES AT 1:00 PM BARNES 124
05/14/25	(H)	Heard & Held
05/14/25	(H)	MINUTE (RES)
05/15/25	(H)	RES AT 1:00 PM BARNES 124

**WITNESS REGISTER**

REPRESENTATIVE BILL ELAM  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, introduced HJR 26.

AMY SCHUMACHER, Executive Director  
Fairbanks Pipeline Training Center  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of HJR 26.

KENDRA BROUSSARD, Staff  
Representative Bill Elam  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Representative Elam, prime sponsor, answered questions regarding HJR 26.

GREG CASHEN, Lobbyist  
Fairbanks Pipeline Training Center  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions regarding the Fairbanks Pipeline Training Center.

WARREN CHRISTIAN, Secretary  
Fairbanks Pipeline Training Center;  
President  
North Slope Contractors Association  
Fairbanks, Alaska

**POSITION STATEMENT:** Answered questions regarding the FPTC.

BERNARD AOTO, Staff  
Representative Will Stapp  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Representative Stapp, prime sponsor, answered questions regarding the CS for HB 119.

REPRESENTATIVE WILL STAPP  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, introduced the CS for HB 119.

FRANK RICHARDS, President  
Alaska Gas Line Development Corp  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions regarding the proposed gas line.

COREY ALT, Staff  
Representative Donna Mears  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Representative Mears, prime sponsor, presented a PowerPoint on HB 206.

DALE YANCEY, Director  
Tax Division  
Department of Revenue  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions regarding HB 206.

#### **ACTION NARRATIVE**

[1:03:34 PM](#)

**CO-CHAIR ROBYN NIAYUQ BURKE** called the House Resources Standing Committee meeting to order at 1:03 p.m. Representatives Fields, Coulombe, Elam, Rauscher, Dibert, Hall, Saddler, Mears (via teleconference), and Burke were present at the call to order.

#### **HJR 26-AK LNG PROJECT WORKFORCE DEVELOPMENT**

[1:04:32 PM](#)

CO-CHAIR BURKE announced that the first order of business would be HOUSE JOINT RESOLUTION NO. 26, Requesting that the United States Congress appropriate authorized federal workforce development funds to train state residents for the development, construction, and operation of the Alaska liquefied natural gas project; and encouraging the hiring of residents and the use of

state-based small businesses in the development, construction, and operation of the Alaska liquefied natural gas project.

[1:04:44 PM](#)

REPRESENTATIVE BILL ELAM, Alaska State Legislature, as prime sponsor, introduced HJR 26. He explained that the resolution urged Congress to appropriate the \$20 million in workforce development funds authorized for the Alaska liquefied natural gas (AKLNG) project. Congress had authorized this funding specifically to support the workforce training for Alaska Natives, rural residents, and dislocated workers for participation in the AKLNG infrastructure. Despite the authorization, the funds had not been appropriated. The resolution further encouraged AKLNG project sponsors and contractors to prioritize hiring trained Alaskans and working with small in-state businesses. He explained how the resolution aligned with existing statute. He pointed out that the training infrastructure already existed across Alaska through regional training centers and apprenticeship programs, but additional funding would be needed to meet the labor needs of the LNG project. He pointed to the long-term benefits of training Alaska workers rather than relying on an out-of-state workforce. The resolution reinforced the state's support for in-state labor and economic development tied to natural resource projects.

[1:07:55 PM](#)

CO-CHAIR BURKE announced that the committee would hear invited testimony.

[1:08:08 PM](#)

AMY SCHUMACHER, Executive Director, Fairbanks Pipeline Training Center, spoke in support of HJR 26. She explained the importance of gathering sufficient resources in preparation for the proposed AKLNG project. She pointed out that the Fairbanks Pipeline Training Center (FPTC) is the hub for everything that goes to the slope, and the center is ready to train Alaskans.

[1:09:15 PM](#)

MS. SCHUMACHER responded to several questions by Representative Saddler regarding funding, explaining that FPTC is a multi-craft training trust. The funding includes contractor contributions, some state grants, and support from the construction academy.

The FPTC would like to use the federal funds to expand and scale up the annual pipeline training and for outreach classes to introduce people to the pipeline trades. Regarding the question of how the money would be spent, she explained that mainly it would be training, capital improvements, equipment and technology upgrades, and rural outreach.

[1:12:58 PM](#)

REPRESENTATIVE FIELDS described union activities and spoke of the necessity of scaling up the training, emphasizing the importance of apprenticeship.

[1:14:09 PM](#)

MS. SCHUMACHER addressed several of Representative Coulombe's questions. She explained that most of the FPTC apprenticeship programs require state residency. People from out of state who seek training are encouraged to become residents. Individuals from out of state would receive safety training, so they would have the safety certification when they go to work. She said the types of trades in the pipeline program include operating engineers, plumbers and pipefitters, laborers, and teamsters. The building trades are represented by the electricians. She explained that FPTC trains on every capacity to build a pipeline such as bringing the pipe in, stringing the pipe out, and welding the pipe together. Each type of worker is familiar with what the other workers are doing.

[1:17:29 PM](#)

MS. SCHUMACHER, in response to a question from Representative Saddler, explained that if they wait and train during the build, then they are too late. If the gas line does not go through, there are still supporting projects that could benefit from training Alaskans, including all the work on the North Slope.

[1:19:34 PM](#)

MS. SCHUMACHER responded to a question from Representative Rauscher by first extending an invitation to the committee members to visit FPTC in late October. She explained that each craft learns their own trade. She described the training experienced by the laborers, the pipefitters, the equipment operators, the mechanics, and the teamsters. Each individual craft would be learning their own task, but all would be doing it in coordination with the other crafts, so they understood

what it would be like on the job, knowing where to stand and where to be.

[1:22:10 PM](#)

REPRESENTATIVE FIELDS spoke about the unique environment of the FPTC and explained that unlike schools where skills would be learned individually, students at the FPTC learn to lay long lengths of pipe with all the trades present prior to being on the slope. The training would be coordinated, multi-craft work that no individual training school could do on their own. He pointed out that even if the AKLNG project did not materialize, workers are needed for the Pikka and Willow projects.

[1:23:18 PM](#)

REPRESENTATIVE ELAM, in response to a question from Representative Hall, explained that he didn't know why the money had not yet been appropriated. He pointed out that the resolution would help keep attention on the issue.

[1:24:25 PM](#)

KENDRA BROUSSARD, Staff, Representative Bill Elam, Alaska State Legislature, on behalf of Representative Elam, prime sponsor, answered questions regarding HJR 26. In response to a question from Representative Hall, she explained that the Alaska Natural Gas Pipeline Act was passed in 2014.

[1:25:24 PM](#)

MS. SCHUMACHER responded to a question from Representative Hall, explaining that the Act was first written in 2004 and amended in 2014. She clarified that 15 percent of the funding was for a pipeline training facility in Fairbanks.

[1:25:55 PM](#)

GREG CASHEN, Lobbyist, Fairbanks Pipeline Training Center, addressed several questions from Representative Hall regarding why the money for the FPTC had not been appropriated at that time. He described the appropriation process, explaining that the language includes a reasonable expectation that the natural pipeline construction would commence by a date two years after the date of certification. He pointed out that the project had not made it that far, so the money had not been appropriated by Congress. He said there was progress and there was a reasonable

likelihood of the appropriations going through. The funding would go through the Department of Labor & Workforce Development (DLWD). He described the pipeline training which simulated actual Arctic pipeline conditions including staying in a camp like the North Slope.

[1:32:04 PM](#)

REPRESENTATIVE SADDLER opined that the political climate at the federal level should support the proposed LNG construction and the thriving oil and gas industry, so the resolution is timely and appropriate.

[1:33:02 PM](#)

MS. SCHUMACHER, in response to a question from Co-Chair Dibert, explained that FPTC was engaged in training for each of the North Slope trades. She discussed the North Slope pipeline certification required for employment on the slope.

[1:35:11 PM](#)

WARREN CHRISTIAN, Secretary, Fairbanks Pipeline Training Center; President, North Slope Contractors Association, explained the role of the North Slope Contractors Association regarding pipeline construction in Alaska and the role of the organization in the FPTC. He described his meeting with the Alaska congressional delegation in Washington, D.C. to address the funding questions. He discussed the recruitment, the training, and the apprenticeship programs sponsored by the unions, and pointed out the value of training rural Alaskans. He explained that the FPTC focuses on bringing in entry level personnel who might be trained in one trade at the FPTC but then might enroll in one of the union apprenticeship programs. The union apprenticeship program at the FPTC then would help bring an individual up to the skill level needed on the North Slope. He pointed out at that time there was work at the Willow, the Santos, and the Coyote projects in pipeline and ice road construction.

[1:38:34 PM](#)

MS. SCHUMACHER, in response to a question from Co-Chair Dibert, explained that there were five apprenticeships. There were 60 to 80 students during the last two years, and everyone who went through the training went directly to work.

[1:40:09 PM](#)

REPRESENTATIVE ELAM agreed with Representative Coulombe's suggestion that the governor should be added to the list of recipients of the resolution.

[1:42:15 PM](#)

The committee took an at-ease from 1:42 p.m. to 1:43 p.m.

[1:43:27 PM](#)

REPRESENTATIVE FIELDS explained that he had to leave for another meeting but that he supported the resolution.

[1:43:45 PM](#)

CO-CHAIR DIBERT moved to adopt Conceptual Amendment [1] to HJR 26, to add "the Honorable Michael J. Dunleavy, Governor of the State of Alaska," to the recipient's list, following "Congress" on line 24. There being no objection, Conceptual Amendment 1 was adopted.

[1:44:22 PM](#)

The committee took a brief at-ease at 1:44 p.m.

[1:45:30 PM](#)

CO-CHAIR BURKE opened public testimony on HJR 26, as amended. After ascertaining there was no one who wished to testify, she closed public testimony on HJR 26.

[1:45:55 PM](#)

CO-CHAIR DIBERT moved to report HJR 26, as amended, out of committee with individual recommendations and the attached zero fiscal note. There being no objection, CSHJR 26(RES) was reported out of the House Resources Standing Committee.

[1:46:28 PM](#)

The committee took an at-ease from 1:46 p.m. to 1:49 p.m.

**HB 119-GAS PIPELINE FAIRBANKS SPUR**

[1:49:23 PM](#)

CO-CHAIR BURKE announced that the next order of business would be HOUSE BILL NO. 119, "An Act relating to an in-state natural gas pipeline developed by the Alaska Gasline Development Corporation; and providing for an effective date." [Before the committee was CSHB 119(STA).]

[1:46:34 PM](#)

CO-CHAIR DIBERT moved to adopt the proposed committee substitute for House Bill 119, Version 34-LS0613\G, Nauman, 5/13/25, as a working document.

CO-CHAIR BURKE objected for the purpose of discussion.

[1:50:03 PM](#)

BERNARD AOTO, Staff, Representative Will Stapp, Alaska State Legislature, on behalf of Representative Stapp, prime sponsor of HB 119, explained that the committee substitute removed the spur line language under subsection 5 of the Alaska Gasline Development Corporation (AGDC) charter. He pointed out that the proposed CS, Version G, was drafted to clarify the language of CSHB 119(STA) and remedy a miscommunication.

[1:51:36 PM](#)

CO-CHAIR BURKE removed her objection. She announced that the committee substitute for HB 119 was before the committee.

[1:51:54 PM](#)

REPRESENTATIVE WILL STAPP, Alaska State Legislature, as prime sponsor, explained that HB 119 seeks to eliminate a long-standing problem for residents in the Interior. The conversation had moved forward regarding the development of a gas line project as proposed with AGDC and majority owner Glenfarne. The current proposed route of the pipeline would bypass Fairbanks, the second largest town in Alaska. The bill sought a mechanism to remedy that disservice. He referenced the sale of 75 percent ownership in the line by AGDC which created difficulties in terms of the bill. Part of a fiscal note received from Mr. Richards stated, in part, that Glenfarne acquired the majority of interest in 8 Star, LLC, Alaska, which was the privately held subsidiary of AGDC. That made Glenfarne the majority owner. The fiscal note stated, "AGDC does not have the right to change the scope of the Alaska LNG project." He

also noted that Mr. Richards referenced the agreement with Glenfarne, but he was not aware that any member had the opportunity to read what was actually in that agreement. It seemed that no member had the opportunity to read what was in the agreement prior to it being finalized.

REPRESENTATIVE STAPP then explained that two sections of the proposed legislation were relatively simple, adding language that would codify in statute that an all-Alaska line, if advanced, must include a direct spur to the City of Fairbanks and the Fairbanks North Star Borough. The second section that was added specified that proceeds of the sales of the gas line would be for the purpose of bringing gas to all Alaskans. He explained that the concept was to create a fund to ensure that Alaskans share the proceeds of monetizing the North Slope gas

[1:55:12 PM](#)

MR. AOTO explained that Representative Stapp covered everything in the sectional analysis except Section 3, which created an immediate effective date.

[1:55:56 PM](#)

FRANK RICHARDS, President, Alaska Gas Line Development Corp, responded to a question from Representative Coulombe regarding the permitting for a Fairbanks spur line. He referenced language imbedded in paragraph 4 regarding the Alaska stand-alone pipeline project, which was the in-state line for North Slope gas to be used in Alaska. That was the outcome of a feasibility study in 2012 when the legislature appropriated funds for the design of the in-state project which was a 36-inch diameter main line with a spur into Fairbanks that was a 12-inch line. That project went through engineering and design, and it went through the permitting process, but not all the permits were obtained. The right of way was provided to AGDC for that pipeline project, and AGDC still retains those designs leading into Fairbanks. He explained that the difference between the two projects is that one of them did not include the spur line.

[1:58:33 PM](#)

REPRESENTATIVE STAPP addressed a series of questions from Representative Coulombe regarding the spur line. He explained that the diameter of the pipeline probably doesn't matter that much and quoted the saying, "It doesn't matter if the cat is black or white so long as it catches the mice." He said people

needed to know that if the export project were to go into final investment decision, they would break ground on a main line but would skip the second largest town in Alaska. He referenced Mr. Richards' statement that not all permits had been obtained. He described several factors influencing the permitting of projects as well as time frames regarding the main line and an off-take line for the purpose of developing a spur line.

[2:00:16 PM](#)

REPRESENTATIVE STAPP responded to a question from Representative Saddler regarding the proposed CS by explaining two problems. First, because of the agreement with Glenfarne, AGDC no longer had the right to make changes to the scope of the development project. Second, there would be potential risk to the project because they are permitted under two different sections of permitting, i.e. Federal Energy Regulatory Commission (FERC) and the Army Corps of Engineers.

[2:01:28 PM](#)

MR. RICHARDS responded to Representative Saddler's request for clarification regarding why language had been changed between the previous version and the current version. He explained that a fiscal note had been created based on the previous version included in the AKLNG project. He said Representative Stapp was correct in saying that AGDC's agreement with Glenfarne regarding the Alaska LNG project as permitted through the FERC process did not include a lateral into Fairbanks. From the perspective of AGDC, opening up the spur line permitting would add significant potential environmental and regulatory risk to the project proceeding forward, so they waived that issue due to timing, costs, and permitting. In addition, it had been decided to move the mainline off-take line because the new proposal included uplands which were less environmentally sensitive.

[2:04:21 PM](#)

REPRESENTATIVE STAPP responded to a question from Representative Saddler regarding the system of natural gas line plumbing in the City of Fairbanks as well as the North Star borough. He explained that technically both pass through the North Star borough and described who in the area would be getting direct gas.

[2:05:59 PM](#)

REPRESENTATIVE STAPP, in response to a question from Representative Elam, described some of the history, referencing the former project's design which would have passed 30 miles from Fairbanks. Since that time, Fairbanks developed what was called the Interior Gas Utility for the purpose of trucking liquified gas from the North Slope liquification plant. Trucks would transport LNG from the slope to Fairbanks. He explained that the issues include costs, tariff rates, and the mechanics of de-liquifying the gas and compared that to the costs of tariffs and amortizing of the gas line. He pointed out the potential irony of being halfway from the source of gas compared to Anchorage but possibly paying double the costs for gas.

[2:09:50 PM](#)

FRANK RICHARDS addressed a request from Representative Mears to verify that the tariffs for Fairbanks would be in addition to tariffs for the entire pipeline and how that tariff is structured so that Fairbanks is not in addition to but is rather a part of the tariff structure. He reminded the committee that AGDC has a signed memorandum of understanding (MOU) with an Alaska pipeline company that wants to take on the ownership, permitting, design, and construction of the spur line into Fairbanks. The cost analysis for the buildout was based on numbers from 2014, and since that time, the demand in Fairbanks has gotten smaller, so the construction costs need to be considered as well as an optimal design. He said that the full responsibility for determining tariff rates will go through the Regulatory Commission of Alaska (RCA), which is looking out for the well-being of Alaska. He compared the Fairbanks situation to South Central when Enstar brings on new lines.

[2:12:11 PM](#)

REPRESENTATIVE STAPP agreed with Representative Mears that the spur needs to be included in an overall tariff, but said this bill is probably not the place for that discussion.

[2:12:58 PM](#)

FRANK RICHARDS responded to a series of questions from Representative Stapp. He explained that the MOU he referred to was with AGDC and was part of the Alaska stand-alone pipeline project, but was not part of the agreement transfer to Glenfarne. Regarding whether there was an MOU under the existing mainline project, he explained that there was an interconnection or an offtake point near the Chatanika River.

That would be the point where a spur line would start for delivery of gas to Fairbanks. In response to further questions requesting clarification about what that interconnection would actually be, he described it as a valve and a depressurization unit. This would enable off-taking gas to another entity who would then have the construction, operation, and maintenance responsibilities for a spur line into Fairbanks.

[2:15:08 PM](#)

REPRESENTATIVE STAPP agreed with Representative Coulombe's observation that that South Central would be charged tariffs by Enstar, which would represent the costs of carrying gas from A to B, and that there would be a tariff for gas to Fairbanks. He acknowledged the potential for the capital costs plus the tariff to operate the pipeline, both landing on Fairbanks, which would lead to higher tariffs for Fairbanks. He pointed out that the state had invested heavily in a gas export line that would not benefit a vast majority of people despite running within 30 miles of a large population center. If the costs were to be amortized, the cost to the Fairbanks residents would be substantially higher.

[2:18:14 PM](#)

REPRESENTATIVE STAPP addressed several questions from Representative Rauscher, explaining that the Interior Alaska Gas Utility (IGU) had been building gas infrastructure in Fairbanks with the expectation of a gas line to the town. Regarding the comment that the amortization would be "extravagant," he suggested it would be less so than "the billions of dollars dumped into Cook Inlet to subsidize producers for production." He commented that adding customers would result in lower rates because of economy of scale wherein a cheaper source of fuel would attract more customers. Ideally a gas line would enable customers to spend less money on heat.

[2:21:02 PM](#)

MR. AOTO responded to Representative Rauscher's question regarding a study on this issue. He explained that the Wood Mackenzie study [November 2024] assumed Fairbanks would consume 11 billion cubic feet (Bcf) if the gas pipeline were built compared to the UGI consumption rate estimate of 1.5 Bcf. That study assumes an overhaul to enable usage by the larger customers such as the University of Alaska Fairbanks, Fort Wainwright, and the Eielson Air Force Base. He explained that

the study did not necessarily account for the time and expense of putting in the power plants that would be able to receive that natural gas.

[2:21:56 PM](#)

REPRESENTATIVE STAPP responded to Representative Saddler's question regarding the fiscal note for HB 119, explaining that the numbers were based on ADGC operating the pipeline, and the numbers would change under a different scenario.

[2:24:13 PM](#)

MR. AOTO clarified the result of the proposed committee substitute regarding gas line connections throughout the state of Alaska.

[2:24:45 PM](#)

FRANK RICHARDS responded to a question from Co-Chair Burke concerning which permits had not been received. Mr. Richards said AGDC had strategically focused on acquiring major permits that de-risk the project, but that there was an Army Corps of Engineers' wetlands permit the project had not fully received.

[2:26:08 PM](#)

FRANK RICHARDS responded to a question from Co-Chair Burke concerning which permits had not been received. [Due to poor sound quality, portions of the audio are indiscernible.]

[2:28:27 PM](#)

There being no further discussion HB 119 was held over.

[2:28:47 PM](#)

The committee took an at-ease from 2:28 p.m. to 2:30 p.m.

### **HB 206-OIL AND GAS DATA**

[2:30:28 PM](#)

CO-CHAIR BURKE announced that the final order of business would be HOUSE BILL NO. 206, "An Act relating to disclosure of oil and gas production tax information."

[2:30:52 PM](#)

COREY ALT, Staff, Representative Donna Mears, Alaska State Legislature, on behalf of Representative Mears, prime sponsor of HB 206, continued his PowerPoint from the House Resources Standing Committee on May 14, 2025, regarding HB 206 [hard copies in the committee file]. He explained that he would begin with slide 7, titled "Alaska's Unique Structure," which showed a graph comparing gross and net tax comparisons between \$70 oil and \$65 oil. The description read as follows [original punctuation provided]:

Under a net tax, the public has a greater interest in transparency because of the higher revenue volatility inherent in the system.

MR. ALT explained why, under a net tax system such as in Alaska, the public has more interest in the producer tax information than they have in some other jurisdictions. He called the committee's attention to the difference in the taxable volume column which compared the values of a net tax versus a gross tax system. He posited that economists describe a net tax as more efficient over the long term, leading to greater investment in oil and gas. He pointed to the bottom of the chart which shows a change in the taxable value of \$70 oil and \$65 oil and explained that the assumption of a net tax system by the state of Alaska increases a degree of risk sharing between the oil producers and the state in a way that is not seen in producing jurisdictions such as Oklahoma and Texas.

[2:33:33 PM](#)

MR. ALT responded to a question from Representative Coulombe by explaining that the chart on slide 7 is a hypothetical example that he produced. He explained that the numbers are close to those used by the State of Alaska, pointing out that gross taxes in states across America are usually in the 4- to 7-percent range.

[2:34:20 PM](#)

MR. ALT addressed several concerns posed by Representative Rauscher regarding risks to the oil companies and the state, explaining that HB 206 itself makes no changes to oil and gas tax law, the collection of taxes, or the structure of the tax system, and there would be no impact on revenue. The bill is meant to give insight into the question of whether the tax

system is performing up to the goals we set for it. He assured the committee there was no intention to create a situation causing competitive damage. Also, the intention of the bill was not to force disclosure that was not already provided. For example, the production tax value that would be required by this bill is already disclosed by some oil companies in other jurisdictions around the world that use net tax systems, including some that operated in Alaska.

[2:39:21 PM](#)

REPRESENTATIVE MEARS, as prime sponsor, addressed several questions from Representative Rauscher, explaining that one of the reasons the bill was crafted late in the session was to enable conversations with the industry prior to releasing the bill. In addition, she wanted it to sit over the interim, so those conversations could continue. She agreed that data can be commercially sensitive and she would not want sensitive information to be exposed.

[2:40:21 PM](#)

MR. ALT responded to a question from Representative Rauscher by clarifying that some data would come from information disclosed by companies depending on their status in the marketplace as well as disclosures from the American stock exchange and the SEC. Continuing adjustments would be made to the bill's language to ensure it doesn't include competitively damaging information.

[2:42:06 PM](#)

MR. ALT, in response to a search for clarification made by Representative Saddler, explained that the intention of the legislation was not to force disclosure of information that is not disclosed already by companies.

[2:44:46 PM](#)

CO-CHAIR BURKE responded to Representative Saddler's demand for an answer by asking Representative Mears to respond.

REPRESENTATIVE MEARS maintained that Mr. Alt had provided the relevant information Representative Saddler asked for and that there was information disclosed in other districts that was not disclosed in Alaska. She said Mr. Alt had provided a good

background about that level of detail, but they could follow up with additional specifics.

[2:45:46 PM](#)

CO-CHAIR BURKE addressed Representative Saddler on the record to say he had the right to ask questions but not to badger staff.

[2:46:17 PM](#)

MR. ALT resumed the PowerPoint presentation of HB 206 by moving to slide 8, titled "Alaska's Unique Structure," which showed several graphs regarding tax disclosure requirements, and which read as follows [original punctuation provided]:

- Some oil-producing states have stronger disclosure requirements.
- In Texas and North Dakota, producers' tax returns are public

MR. ALT explained that there is a disparity in the disclosure requirements between other gas and oil producing states and Alaska. The bottom-left graph was put out by Alaska's Department of Revenue (DOR) regarding the level of investment on the North Slope. He pointed out that details are not provided about every unit. He discussed the graph on the right which showed an example of a tax history document from the Texas comptroller which had been provided after requesting tax information about a specific oil producer. The example showed the first page of a 4,000-page volume from one month in 2024 concerning Hilcorp Energy company. This is an example of the level of detail other jurisdictions provide. He noted that, unlike Alaska, tax officials from other states would compile this information into usable data sets for policy makers and the public.

[2:48:08 PM](#)

MR. ALT proceed to slide 9, titled "Alaska's Unique Structure," which read as follows [original punctuation provided]:

History:

- In 2006, Alaska transitioned from a gross (ELF) to a net tax under the Petroleum Profits Tax (PPT)
- The PPT system lacked sufficient disclosure, both to the Department of Revenue and the public.

- ACES (2007) implemented the current disclosure statute, AS 43.55.890, to provide for some disclosure of producer data.

[2:49:22 PM](#)

MR. ALT moved to slide 10, titled "Alaska's Unique Structure," which showed a graph detailing lease expenditures and capital expenditures over time. The slide read as follows [original punctuation provided]:

Weakening Disclosure:

- In 2016, DOR published information on four North Slope units. Today Prudhoe is the only one.
- Units have very different production and economic profiles depending on geology and development

[2:50:26 PM](#)

MR. ALT explained that the quality of disclosure DOR is allowed to provide under law has deteriorated. He proceeded to slide 11, titled "What's the Problem?" which read as follows [original punctuation provided]:

Without insight into the profitability of oil individual producers in particular fields, the legislature could be—unknowingly:

1. Holding back industry to the detriment of all Alaskans through complex and onerous tax rates
2. Unfairly advantaging some producers over others
3. Incentivizing development of federal land over state land, decreasing royalty income
4. Allowing the maximum benefit of Alaska's resources to flow to out-of-state oil producers instead of Alaskans themselves

MR. ALT described each of those points in more detail and then turned to slide 12, titled "What's our solution?" which simply stated, "Increased transparency."

[2:52:25 PM](#)

MR. ALT moved to slide 13, slide 14, and slide 15, titled "What's our solution?" which read as follows [original punctuation provided]:

HB 206 would require DOR to publish information about producers at the unit level upon request:

1. The amount of oil or gas produced by each working interest owner (WIO) in a unit
2. The gross value at the point of production (GVPP) by WIO
3. Transportation costs attributable to the product by WIO
4. Production tax value (PTV) by WIO
5. Tax due by WIO
6. State royalty by WIO

This data is to be released with monthly resolution.

- Most of this information is already public
  - Royalty information is produced by DOR
  - Production data is available from AOGCC
  - Transportation costs—pipeline tariffs and shipping rates—are largely public
  - GVPP is roughly calculable from production data and public price information.
- What's not?
  - Production Tax Value
  - Tax Paid
- Some companies publish this information voluntarily. Others don't. This proposal would level the playing field.
- HB 206 would provide:
  - Transparency for the public and policymakers
  - Consistent disclosure in substance and format across producers
  - A meaningful dataset for analysis
  - Parity in disclosures between producers

MR. ALT emphasized that information disclosed by the proposed law would not be damaging to the companies.

[2:54:26 PM](#)

MR. ALT, in response to a question from Representative Elam regarding the level of administrative burden this would create, deferred the question to Mr. Dale Yancy of DOR.

[2:57:00 PM](#)

DALE YANCEY, Director, Tax Division, Department of Revenue, answered questions regarding whether HB 206 would create

additional administrative burden. He explained that DOR did not have that level of detail available, and it would require additional staff to aggregate the data. He described the information oil companies provided on their tax returns and how the aggregation of data would change with HB 206. He explained that the monthly filings provided by the oil companies detailed the amount of oil produced but not how much tax was being paid.

[2:59:35 PM](#)

REPRESENTATIVE MEARS pointed out that purpose of the proposed bill is to remedy the fact that this data is available to legislators only with a signed non-disclosure agreement, and it is not available to the public. The data exists within the State of Alaska, but it is not useful.

MR. ALT, in response to a comment by Representative Elam, said that he would defer to DOR to generate a fiscal note that would accurately account for data aggregation.

[3:01:24 PM](#)

CO-CHAIR BURKE announced that HB 206 was held over.

[3:03:35 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 3:03 p.m.