

Introduced: 4/20/78  
Referred: Resources and  
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE CONCURRENT RESOLUTION NO. 102 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 Relating to a direct investment  
6 by the state in the Alaska natural  
7 gas pipeline project.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 WHEREAS, Northwest Alaskan Pipeline Company has been selected by the  
10 President and the Congress of the United States to construct a pipeline to  
11 transport Alaskan natural gas from Prudhoe Bay to markets in the lower 48  
12 states; and

13 WHEREAS, the cost of the project is estimated to be 10.5 billion  
14 dollars, 3.7 billion dollars of which will be used to construct over 700  
15 miles of pipeline in Alaska; and

16 WHEREAS, timely completion of the Alaska Highway Natural Gas project  
17 to transport North Slope natural gas is a matter of vital concern to the  
18 nation's energy future; and

19 WHEREAS, construction of the project may produce important social and  
20 economic benefits for the people of Alaska, including approximately 20,000  
21 new jobs, increased state and local tax revenue, enhanced availability of  
22 natural gas for Alaskan communities, and stimulus and expansion of private  
23 enterprise, including greater potential for development of in-state manu-  
24 facturing, refining, and processing facilities; and

25 WHEREAS, Northwest Alaskan Pipeline Company has advised the state that  
26 it would be of substantial assistance to the company in constructing the  
27 gas line if the state were to provide financial aid, both through the means  
28 of creating an authority with the power to issue tax-free bonds for invest-  
29 ment in the pipeline and through the means of direct investment in the

1 pipeline; and

2 WHEREAS, Northwest Alaskan Pipeline Company has asserted that a direct  
3 investment in the pipeline would be beneficial to Alaska, not only because  
4 it would hasten the construction of the pipeline, but because it would  
5 create a substantial return to Alaskans on the dollars invested; and

6 WHEREAS, unlike the creation of an authority to issue tax-free bonds,  
7 a direct investment would be a direct commitment of taxpayers' funds to the  
8 project and should only be undertaken after the legislature and the admini-  
9 stration have had an opportunity to completely review all the economic data  
10 pertaining to the pipeline, as well as the final financial plan for construc-  
11 tion of the pipeline; and

12 WHEREAS, decision by the state not later than the first quarter of  
13 1979 to participate in the direct financing of the project will materially  
14 assist the project, and thereby realize the potential benefits of the  
15 project for Alaskans;

16 BE IT RESOLVED by the Alaska State Legislature that

17 (1) under provisions of AS 24.05.180 and Rule 21, Uniform Rules  
18 of the Alaska State Legislature, the presiding officer of each house shall  
19 appoint three members from each house of the legislature to a joint interim  
20 committee on gas pipeline financing, established to review and consider  
21 a possible direct investment by the State of Alaska in the pipeline project;

22 (2) the governor, in consultation with the committee, is respect-  
23 fully requested to determine if direct state financial participation in the  
24 project appears to be in the best interest of the state;

25 (3) if it is determined that such participation is desirable,  
26 the governor, again in consultation with the committee, is respectfully  
27 requested to prepare and propose to the legislature, legislation to authorize  
28 direct state financial participation.