

Introduced: 3/6/80  
Referred: Special Gas Pipeline  
Financing Committee

BY THE RULES COMMITTEE (for  
the Special Gas Pipeline  
Financing Committee)

1 IN THE HOUSE

2 HOUSE CONCURRENT RESOLUTION NO. 60

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 Conditionally accepting the gas  
6 pipeline financial and Alaska impact  
7 plan submitted by the Alaska Gas  
8 Pipeline Financing Authority under  
9 AS 44.55.100; and directing addition-  
10 al studies by the authority.

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

12 WHEREAS timely construction of a natural gas pipeline to deliver  
13 supplies of natural gas to domestic markets will be in the best interests of  
14 the state only if production of the natural gas from the Prudhoe Bay reser-  
15 voir is consistent with optimal recovery of oil from the reservoir, and if  
16 adequate and timely steps are taken by the Prudhoe Bay producers to assure  
17 the compatability of gas withdrawals with maximum oil recovery; and

18 WHEREAS state assistance in financing construction of the gas pipeline  
19 project may promote transportation of Prudhoe Bay natural gas to markets; and

20 WHEREAS there are a number of benefits to Alaska from completion of the  
21 gas pipeline project, including but not limited to increased state and local  
22 government tax revenues, enhanced availability of natural gas supplies for  
23 Alaska communities, improvement of the state's economy, and the improved  
24 likelihood for development of in-state manufacturing, refining, and process-  
25 ing facilities; and

26 WHEREAS the legislature has determined that state support for the gas  
27 pipeline project constitutes a public purpose and, to that end, the legisla-  
28 ture has established the Alaska Gas Pipeline Financing Authority, an instru-  
29 mentality of the state empowered to sell revenue bonds; and

1           WHEREAS the Alaska Gas Pipeline Financing Authority constitutes the  
2 state's sole means of providing support of the gas pipeline project; and

3           WHEREAS an amendment of the Internal Revenue Code is required if the  
4 Alaska Gas Pipeline Financing Authority is to be empowered to sell tax exempt  
5 revenue bonds for the gas pipeline project; and

6           WHEREAS unresolved issues with respect to engineering, technical, finan-  
7 cial, and regulatory matters associated with the project make a final and  
8 complete financial and Alaska impact plan under AS 44.55.100 impossible; and

9           WHEREAS, because of these unresolved issues, the Alaska Gas Pipeline  
10 Financing Authority has recommended that the financial and Alaska impact plan  
11 be conditionally approved and has suggested the conditions applicable to that  
12 approval;

13           BE IT RESOLVED by the Alaska State Legislature that the financial and  
14 Alaska impact plan of the Alaska Gas Pipeline Financing Authority, submitted  
15 under AS 44.55.100, is accepted subject to the following conditions:

16           (1) revenue bonds may not be authorized and issued by the authori-  
17 ty until

18                   (A) the plan is amended by the authority;

19                   (B) the amended plan is submitted to the legislature during  
20 the first 30 days of a regular session; and

21                   (C) the amended plan is approved by the legislature; and

22           (2) the amended financial and Alaska impact plan shall provide  
23 definitive information for or answers to the points itemized in AS 44.55.100  
24 as to all matters presently unresolved, unanswered or undocumented; and be it

25           FURTHER RESOLVED that the Alaska Gas Pipeline Financing Authority may  
26 examine and make additional recommendations on matters in the financial and  
27 Alaska impact plan conditionally accepted by this resolution in the amended  
28 plan which it presents; and be it

29           FURTHER RESOLVED that the Alaska Gas Pipeline Financing Authority is

1 directed to study and evaluate the feasibility and advisability of state  
2 financial support for a gas conditioning plant, and to present a written  
3 report to the legislature on its study and evaluation not later than the 30th  
4 day of the First Session of the Twelfth Legislature.

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