

Original sponsor: Rules Committee (for
the Special Gas Pipeline
Financing Committee)

Offered: 3/10/80
Referred: Rules

1 IN THE HOUSE

BY THE SPECIAL GAS PIPELINE
FINANCING COMMITTEE

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CS FOR HOUSE CONCURRENT RESOLUTION NO. 60

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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ELEVENTH LEGISLATURE - SECOND SESSION

5

Conditionally accepting the gas

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pipeline financial and Alaska impact

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plan submitted by the Alaska Gas

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Pipeline Financing Authority under

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AS 44.55.100; and directing addition-

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al studies by the authority.

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

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WHEREAS timely construction of a natural gas pipeline to deliver

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supplies of natural gas to domestic markets will be in the best interests of

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the state only if production of the natural gas from the Prudhoe Bay reser-

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voir is consistent with optimal recovery of oil from the reservoir, and if

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adequate and timely steps are taken by the Prudhoe Bay producers to assure

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the compatibility of gas withdrawals with maximum oil recovery; and

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WHEREAS state assistance in financing construction of the gas pipeline

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project may promote transportation of Prudhoe Bay natural gas to markets; and

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WHEREAS there are a number of benefits to Alaska from completion of the

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gas pipeline project, including but not limited to increased state and local

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government tax revenues, enhanced availability of natural gas supplies for

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Alaska communities, improvement of the state's economy, and the improved

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likelihood for development of in-state manufacturing, refining, and process-

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ing facilities; and

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WHEREAS the legislature has determined that state support for the gas

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pipeline project constitutes a public purpose and, to that end, the legisla-

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ture has established the Alaska Gas Pipeline Financing Authority, an instru-

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mentality of the state empowered to sell revenue bonds; and

1 WHEREAS the Alaska Gas Pipeline Financing Authority constitutes a means
2 of providing state 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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