

Original sponsors: Miles, Anderson,
Beirne, et al

Offered: 3/2/79
Referred: Rules

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE JOINT RESOLUTION NO. 21

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 Relating to the Northwest Alaskan
6 Pipeline Company.

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

8 WHEREAS the Northwest Alaskan Pipeline Company gas pipeline project was
9 selected by President Jimmy Carter and the United States Congress; and

10 WHEREAS the Presidential decision gives the Northwest Alaskan Pipeline
11 Company the sole authority to construct a natural gas pipeline from Prudhoe
12 Bay to the lower 48 states; and

13 WHEREAS the Alaska Joint Interim Gas Pipeline Financing Committee
14 unanimously concluded, on January 31, 1979, that no recommendation about
15 equity investment in the project is possible at this time because the state
16 needs to wait for the resolution of critical federal issues, to wait for the
17 completion of consultant studies now underway, and to wait for the submission
18 of a final financing plan by Northwest Alaskan Pipeline Company; and

19 WHEREAS the Alaska Gas Pipeline Financing Authority was established to
20 make available \$1 billion in tax exempt bonds for the project, but the U. S.
21 Congress has not yet acted on a change in section 103 of the Internal Revenue
22 Service Code; and

23 WHEREAS there are several major points to be resolved, including but not
24 limited to the following: effects of gas extraction on oil production;
25 effects of an interstate gas pipeline on in-state petrochemical development;
26 lack of gas sales contracts; conditioning costs; pipeline pressure and size;
27 marketability of Alaska gas; possible gas imports from Mexico; reluctance of
28 major producers to participate in the project; numerous regulatory decisions
29 which the Federal Energy Regulatory Commission must make before prudent

1 investors will participate in equity financing; and the failure of President
2 Carter to appoint the Federal Inspector; and

3 WHEREAS the State of Alaska wants to work jointly with the Northwest
4 Alaskan Pipeline Company and the Federal Government for the national good,
5 while functioning as an independent, sovereign state;

6 BE IT RESOLVED that the Alaska State Legislature gives the strongest
7 possible support to the Northwest Alaskan Pipeline Company; and be it

8 FURTHER RESOLVED that the legislature reaffirms its belief that the gas
9 pipeline will be built; and be it

10 FURTHER RESOLVED that the President and the appropriate federal agencies
11 are urged to act expeditiously to address the major unresolved areas under
12 their jurisdiction; and be it

13 FURTHER RESOLVED that the U. S. Congress is urged to pass an amendment
14 to section 103 of the Internal Revenue Service Code, in conjunction with the
15 effort shown by the state in establishing the Alaska Gas Pipeline Financing
16 Authority; and be it

17 FURTHER RESOLVED that the Alaska State Legislature reaffirms its commit-
18 ment to provide \$1 billion through tax-exempt bonds to be issued by the
19 Alaska Gas Pipeline Financing Authority upon compliance with AS 44.55.010 -
20 44.55.200, that it reaffirms its continued support for the project, as
21 evidenced by the reappointment of the Joint Gas Pipeline Financing Committee,
22 and that it will continue to strive for the highest and best use of Alaska's
23 gas resources within Alaska where energy needs, both rural and urban, are
24 reaching critical levels as well as serve as one of the nation's energy
25 resource suppliers; and be it

26 FURTHER RESOLVED that although the legislature supports the project and
27 will continue to work towards its success, it believes that a decision re-
28 garding an equity investment in the project cannot be made until the critical
29 issues mentioned in this resolution are resolved; and be it

1 FURTHER RESOLVED that, given the importance of the successful completion
2 of the project to the American consumers, the Alaska Legislature asks the
3 U. S. Congress and the President of the United States to take decisive steps
4 to support the gas pipeline project which they chose.

5 COPIES of this resolution shall be sent to the Honorable Jimmy Carter,
6 President of the United States; and to the Honorable Ted Stevens and the
7 Honorable Mike Gravel, U. S. Senators and to the Honorable Don Young, U. S.
8 Representative, members of the Alaska delegation in Congress.

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