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Referred: Resources and  
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1 IN THE SENATE

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2 SENATE CONCURRENT RESOLUTION NO. 5  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 ELEVENTH LEGISLATURE - FIRST SESSION

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

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

9 WHEREAS the legislature in 1978, in Legislative Resolve 43, found that:

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

14 (2) the cost of the project is estimated to be 10.5 billion  
15 dollars, 3.7 billion dollars of which will be used to construct over 700  
16 miles of pipeline in Alaska;

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

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

26 WHEREAS Northwest Alaskan Pipeline Company has advised the state that it  
27 would be of substantial assistance to the company in constructing the gas  
28 line if the state were to provide financial aid through the means of direct  
29 investment in the pipeline; and

1       WHEREAS a direct investment in the pipeline would be beneficial to  
2 Alaska, not only because it would hasten the construction of the pipeline,  
3 but because it would create a substantial return to Alaskans on the dollars  
4 invested; and

5       WHEREAS a direct investment would be a direct commitment of state funds  
6 to the project and evidence the strongest state support possible since state  
7 funds are held in trust to be used only for the benefit of the people of the  
8 state; and

9       WHEREAS direct state investment in the project of an amount equal to 100  
10 per cent of the equity participation of the lead company, Northwest Alaskan  
11 Pipeline Company, if that amount does not exceed an amount equal to the  
12 revenue derived from royalties on gas production paid to the state, would be  
13 a wise use of state funds for the benefit of the people of the state;

14       BE IT RESOLVED by the Alaska State Legislature that the governor is  
15 respectfully requested to negotiate and enter into a specific agreement for  
16 direct state financial participation to the extent of an amount equal to 100  
17 per cent of the equity participation of Northwest Alaskan Pipeline Company  
18 but not to exceed an amount equal to the revenue derived from royalties on  
19 gas production paid to the state. The agreement must be submitted to the  
20 legislature for approval by law and appropriation of the money required for  
21 the state equity participation.