

HB

706

"An Act making a special appropriation to the Department of Law; and providing for an effective date."

COMMITTEE REPORT

2/10/76

HOUSE

FINANCE

Mr. Speaker:

Date 2/22/76

The Committee on COMMERCE has had HB 706

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____
COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:
_____ recommends:
W. E. ... recommends:
_____ recommends:
_____ recommends:

W. E. ... Chairman

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

TO: APC

DATE: 2/10

(~~SENATE~~ - HOUSE) BILL 705 and 706

RE: power of APC

Check One:

- 1. TOP PRIORITY - in favor of _____
- 2. FAVOR - in favor of, but not top priority _____
- 3. OK - no definite stand _____
- 4. NOT IN FAVOR _____
- 5. TOP PRIORITY - "Strongly Opposed" _____
- 6. BILL DOES NOT PERTAIN TO DIVISION _____
- 7. Bill does not directly pertain to division, but I am interested in its progress. Keep me informed. _____

COMMENTS: (Justification must be stated for #1 - #6 above. Continue on another page if needed).

While HB Nos. 705 and 706 must be considered together when weighing the ultimate effect they could have on the state, it is perhaps more helpful if each piece of legislation were discussed separately.

First, HB 705 is considered by the Commission to be a very real threat to the overall concept of having one governmental body (The Alaska Pipeline Commission) responsible for and instrumental in protecting the state's interests in matters of oil and gas pipeline regulation. This legislative intent in enacting the Alaska Pipeline Commission Act (Ch. 139 SLA 1972), which is supported by considerable authoritative testimony on the subject, is readily detected when one considers the broad latitude the legislature gave the Commission for dealing with matters of oil and gas pipeline regulation. Besides being vested with the general responsibility of regulating pipelines, the Commission is also directed to promote and oversee the development of an oil and gas pipeline transportation

(Continued)

Writer's Signature: [Signature]
Writer's Title: /Chairman

(DEADLINE 24 hours)

(Note: Please return to Information Officer/Leg. Asst. Office of the Commissioner)

Comments on HB 705 (Continued)

system in the state (see AS 42.06.010 and 42.06.020). Further, and more specifically, the Act claims very extensive jurisdiction for the Commission and also vests in the Commission wide authority to pass upon the validity of tariffs filed by pipeline carriers. These aspects of the Alaska Pipeline Commission Act reveal the obvious intent to keep the various segments of oil and gas pipeline regulation contained in one governmental unit and not distributed among many.

In addition, one can observe from the statutory provisions relating to the makeup of the Commission (AS 42.06.060) and the authority and tools it is given to carry out its duties (AS 42.06.120) that the Commission is presently structured in such a way as to maintain continuity and to gain the knowledge and expertise necessary to function properly in the public interest.

With this background in mind, it is apparent to the Commission that splitting up of functions between the Commission and the Department of Law would only add confusion, interfere with the Commission's policy making functions, make pipeline regulation (including promotion of them) subject to political pressure and manipulation from the executive branch, and weaken the state's credibility and posture before the federal courts and regulatory bodies.

Funds appropriated through HB 706 would be needlessly expended, since much of what is sought through the appropriation has already been accomplished by the Commission, including contracts for the services indicated.

In conclusion, the Commission cannot comprehend the net benefits to be gained by the state in splitting up its legislatively mandated functions with the Department of Law. Under AS 42.06.110, the Department of Law is the Commission's counsel in legal matters arising from the discharge of the Commission's duties and in actions to which it is a party. This is consistent with the process employed by the ATC and PUC.