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HOUSE COMMITTEE REPORT

4/10

(9)

Date Referred: February 28, 1990

FURTHER REFERRALS:

Date of Committee Action: 4-9-90

JUDICIARY

*added finance
4/10*

The RESOURCES Committee considered:

HB 572

HOUSE BILL NO. 572

PIPELINE TARIFF CASE MANAGEMENT

"An Act relating to management of cases involving interstate regulation of pipeline carriers."

RECOMMENDATIONS:

- be replaced with CS HB 572 (RES) the same title
- have attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the Fin Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):
(Dept)

APPROVES PREVIOUS: (Date/Dept)

- fiscal impact MR
- zero fiscal note
- zero with analysis

- fiscal note(s)
- zero fiscal note(s)
- zero fn/analysis

SIGNING DO PASS:

SIGNING: (Check approp. column)

Do Not Pass No Rec Amend

Cliff Davidson DAVIDSON

Carl Hennard HENARD

Becky Jacko JACKO

Richard Foster FOSTER

Signature	Do Not Pass	No Rec	Amend
<u>Bill Hudson</u> HUDSON		<input checked="" type="checkbox"/>	
<u>Scott Sharp</u> SHARP		<input checked="" type="checkbox"/>	
<u>W. Eugene</u> EUGENE	<input checked="" type="checkbox"/>		

Cliff Davidson
CO- Chairman's Signature

HB 572

Transfer of Responsibility for Federal Pipeline Tariff Proceedings from Department of Law to Department of Natural Resources

This bill amends AS 42.06.140 to give the Department of Natural Resources (DNR), which is currently expanding its pipeline monitoring role, direct control of the inter-state pipeline tariff management. To make sure that revenue and environmental consequences of pipeline tariffs receive due weight, DNR should coordinate its efforts closely with the Departments of Revenue, Environmental Conservation, Fish and Game and Law.

This change would reduce critical delays in apprehension of resource management problems. (Procedurally, in the short run this shift would make little difference, since Law would still be the legal arm for the Department of Natural Resources.) The central premise of HB 572 is that pipeline tariffs directly impact resource development issues and should therefore be managed by a line agency.

The Department of Law was assigned this function in 1976 under AS 42.06.140(a)(10), apparently pursuant to its statutory mandate under AS 44.23.050 to appear as attorney before distant courts. When the Alaska Pipeline Commission became part of the APUC in 1981, the same arrangement with the Department of Law was carried over.

- [Statute Reference: AS 42.06.140(a)(10); AS 42.06.230; AS 44.37.020(c)]
- [See Fineberg Report: recommendation #12 (Chapter IV, p. 28)]

STATE OF ALASKA
THE LEGISLATURE

POUCH - STATE CAPITOL
JUNEAU ALASKA 998
907 455 2800


LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 9, 1990

SUBJECT: House Bill 572 -- sectional analysis

TO: Representative Cliff Davidson, Co-Chair
House Resources Committee

FROM: Jack Chenoweth
Legislative Counsel 

The measure would re-assign the responsibility for representing the interests of the state in certain federal proceedings relating to the interstate regulation of pipelines from the Department of Law to the Department of Natural Resources.

Bill section 1 enunciates the purpose of the bill.

The principal operative provision of the measure appears in bill section 4, adding a new subsection to the duties of the Department of Natural Resources. The department is given "principal responsibility in all federal proceedings involving the interstate regulation of a pipeline carrier."

The amendments set out in bill sections 2 and 3, both applicable to the Alaska Public Utilities Commission, make related changes necessitated by the shift of responsibility in federal proceedings to the Department of Natural Resources.

JBC:lmb
L10/007

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "... relating to... cases involving
interstate regulation of pipeline carriers."
Sponsor: House Resources
Requestor: House Resources

Agency Affected: Department of Law
BRU: Oil and Gas Special Projects
Components: Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Please see the attached analysis.

Richard I. Pegues

Prepared by: Richard I. Pegues, Director
Division: Administrative Services

Phone: 465-3672
Date: March 21, 1990

Approved by Richard I. Pegues (FOR)
Commissioner: Douglas B. Baily Attorney General
Agency: Department of Law

Date: March 21, 1990

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 572

This bill amends AS 42.06.140(a) and adds a new subsection to AS 44.37.020 in a way that transfers responsibility for representation of the interests of the state, in federal proceedings involving regulation of pipeline carriers, from the Department of Law to the Department of Natural Resources.

If it is the intent of the legislation to change the state agency client status for pipeline matters before the Federal Energy Regulatory Commission, the Department of Law has no objection to the bill and there should not be a fiscal impact. If, on the other hand, it is the intent of the legislation to confer primary responsibility for representation of the state in legal proceedings in this or any other forum (as is stated in Section 1 of the bill), to a department of state government other than the Department of Law, the department totally objects. Administration of the state's legal affairs must be coordinated and directed from a single authority. The state's legal representation cannot be conducted by two attorneys general for the same reason that there cannot be two governors, or two speakers of the house, or two presidents of the senate.