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SENATE FINANCE COMMITTEE REPORT

DATE: 2/15/90

FURTHER:

DATE TURNED INTO OFFICE: 3/1/90

The Finance Committee considered SB 434

Act establishing a task force to continue state initiatives for the development of a trans-Alaska natural gas pipeline; efd.

and recommended:

- replace with \_\_\_\_\_ CS SB 434 (Finance)  same title
- or adopt \_\_\_\_\_ CS \_\_\_\_\_  new title
- attached amendment(s)  technical title change (HB only)
- \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):

APPROVES PREVIOUS:

fiscal note(s) \_\_\_\_\_ Dept/Date: \_\_\_\_\_

fiscal note(s) \_\_\_\_\_ Dept/Date: \_\_\_\_\_

zero fiscal note(s) SFC:GOV 3/1/90

zero fiscal note(s) DNR 2/9/90

appropriation-no fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

*[Handwritten signatures]*

\_\_\_\_\_

1. *[Signature]* DO PASS -- 2. *[Signature]* CO-CHAR  
Co-Chairs: Signatures and Recommendations

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Office of + Governor  
 Title: Task force, natural gas BRU: Executive Operations  
pipeline  
 Sponsor: Sens. Kelly, Sturgulewski et al Components: \_\_\_\_\_  
 Requestor: Senate Finance

**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	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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**FUNDING: (Thousands of Dollars)**

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

**POSITIONS:**

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Senator Rick Uehling, Co-chairman Phone: 465-4821  
 Division: Senate Finance Committee Date: 3/1/90

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

FISCAL NOTE

REQUEST:

Revision Date: 2/9/90  
Title: Gas Pipeline Task Force  
Sponsor: Senator Kelly  
Requestor: Senate Resources Committee

Agency Affected: Natural Resources  
BRU: Management and Administration  
Components: \_\_\_\_\_

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						
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REVENUE						
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Several trips a year to task force meetings could be accommodated by the current travel budget. The department could not provide staff support or extensive travel funds for task force work without additional funding.

Prepared by: Carol Wilson Phone: 465-2400  
Division: Commissioner's Office Date: 2/9/90

Approved by Commissioner: [Signature] Date: \_\_\_\_\_  
Agency: Department of Natural Resources

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

Changes in CSSB 434 (Fin)  
have no fiscal impact.  
This fiscal note is  
appropriate. 3/1/90 W

Original sponsor(s): SEN. KELLY, Sturgulewski, Pearce, Jones, Faiks, Adams, Duncan, Pourchot, Rodey, Szymanski, Eliason, Kerttula, Zharoff, Fahrenkamp

IN THE SENATE

BY THE FINANCE COMMITTEE

CS FOR SENATE BILL NO. 434 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act establishing a task force to continue state initiatives for the development of a trans-Alaska natural gas pipeline; and providing for an effective date."

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

\* Section 1. TASK FORCE ON CONSTRUCTION OF TRANS-ALASKA NATURAL GAS PIPELINE. (a) There is established in the Office of the Governor a Task Force on Construction of a Trans-Alaska Natural Gas Pipeline. The task force is composed of nine members, including

- (1) the commissioner of environmental conservation;
- (2) the commissioner of fish and game;
- (3) the commissioner of natural resources;
- (4) the commissioner of revenue;
- (5) the commissioner of transportation and public facilities;
- (6) one member of the Alaska Industrial Development and Export

Authority or the executive director of that authority, as determined by the members of the authority;

(7) the director of the Office of International Trade in the Office of the Governor;

(8) the chair of the Alaska Public Utilities Commission; and

(9) one director of the Alaska Energy Authority or the executive director of that authority, as determined by the authority's board of directors.

(b) The governor shall name a chair and vice-chair of the task force

from among the members of the task force.

(c) The task force shall meet regularly at the call of the chair of the task force or at the request of a majority of the members of the task force.

(d) If a member described in (a) of this section is unable to attend a meeting of the task force, the member may, by an instrument in writing filed with the Office of the Governor, designate an alternate to act in the member's place as a member of the task force for the meeting. For all purposes of this Act, the person designated in the instrument is a member of the task force at the meeting.

(e) The members of the task force serve without compensation, but are entitled to receive per diem and travel expenses authorized for boards and commissions under AS 39.20.180. A member may receive per diem and travel expenses only from the annual appropriation made to the agency by which the member is employed.

(f) The provisions of AS 39.50 apply to members of the Task Force on Construction of a Trans-Alaska Natural Gas Pipeline.

(g) Subject to legislative appropriation for the purpose, the task force may expend money it considers necessary to perform its duties.

(h) The task force shall evaluate and report to the governor and legislature, not later than the 10th day of the Second Session of the Seventeenth Alaska State Legislature, on state initiatives for development of a trans-Alaska natural gas pipeline and its construction in a manner that is environmentally safe and economically feasible. The task force shall give special emphasis to

(1) options for state initiatives in the promotion, development, and construction of a natural gas pipeline; and

(2) tax, regulatory, and permitting constraints to development of a pipeline that the state may address.

- \* Sec. 2. This Act is repealed February 1, 1992.
- \* Sec. 3. This Act takes effect December 15, 1990.

2/27/90  
Kelly

# SENATE BILL 434

## CREATING A NATURAL GAS PIPELINE TASK FORCE

Purpose: To direct the next administration to be immediate in it's attention and support of the proposed natural gas pipeline.

Why form a Task Force? The natural gas pipeline presents one of the greatest opportunities for economic development and the creation of new jobs within Alaska. It also poses an excellent opportunity for additional revenue for the state.

The current administration, by accounts from all involved, has been extremely cooperative with the ongoing efforts to bring the pipeline to fruition. Their help has included state and federal regulatory assistance and international marketing support.

With the transition to a new administration in 1990, concern exists that the state's attention toward and support for the gas pipeline will get "lost in the shuffle". By creating a Task Force comprised of various members of the new administration, charged with reviewing the project during the first year and submitting a report in January of 1991, the Legislature is assured the state's interest in and support for the pipeline will continue.

### PROVISIONS:

#### Seven member Task Force:

1. Commissioner of Revenue;
2. Commissioner of Natural Resources;
3. Commission of DEC;
4. Director of International Trade;
5. Chair of the APUC
6. Member from AIDEA
7. Propose ammending the bill to substitute the Director of the Alaska Energy Authority for the Rep. from Alyeska Pipeline, thus eliminating the fiscal note.
8. Propose adding the Commissioner of Fish and Game to the Task Force

*Kelly Am* }  
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#### Discussion:

JB: moved to adopt CS (Fin) w/TK Am  
 SF: Obj - Why DF&G? Why not DOT/PF?  
 DP: Agree w/SF  
 RU: Offer subcom to SF/DP  
 DP: No obj to letting bill go  
 TK: Would consider DOT/PF a friendly Am; DF&G requested seat; No request fr DOT/PF  
 RU: Any obj to CS (Fin)? None. HOLD till 2/25/90  
 Subcom SF/DP



STATE OF ALASKA  
OFFICE OF THE GOVERNOR

S. F. N

BILL ANALYSIS

DEPARTMENT Fish and Game	DIVISION Habitat	BILL NUMBER SR434	SPONSOR Kelly, et al.
SHORT TITLE OF BILL An act establishing a Trans-Alaska natural gas pipeline task force			
DEPARTMENT POSITION Neutral with amendment			
PREPARED BY Frank Rue, Director	DATE 2.14.90	COMMISSIONER'S SIGNATURE <i>Wm. H. Miller</i>	DATE 2/14/90

SUMMARY

OTHER AGENCIES AFFECTED BY BILL Dept. of Revenue, Dept. of Environmental Conservation, Dept. of Natural Resources, Alaska Public Utilities Commission, Alyeska Pipeline Service Co., Industrial Development and Export Authority, Office of International Trade	CONSTITUENT GROUP(S) AFFECTED BY BILL All users of state land
ORGANIZATIONAL SUPPORT FOR BILL Unknown	ORGANIZATIONAL OPPOSITION TO BILL Unknown

FISCAL IMPACT:  NONE  FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

This measure establishes within the Office of the Governor a Task Force on Construction of a Trans-Alaska Natural Gas Pipeline. The task force's primary purpose is to evaluate and report on state initiatives for development and construction of a Trans-Alaska natural gas pipeline in an environmentally safe and economically feasible manner.

ANALYSIS OF BILL/PROGRAM EFFECTS

This measure establishes a task force comprised of seven members, including the Commissioners of Revenue, Natural Resources, Environmental Conservation, a representative from the Alaska Industrial Development and Export Authority, director of the Office of International Trade, chair of the Alaska Public Utilities Commission, and a representative of the Alyeska Pipeline Services Company appointed by the governor. The task force is charged with evaluating and reporting to the governor and the legislature by January 1992 on state initiatives for development of a Trans-Alaska natural gas pipeline. Specific emphasis is to be placed on (1) state options for promoting development and construction of a gas pipeline and (2) tax, regulatory, and permitting constraints to development of a pipeline that the state may address.

AMENDMENTS PROPOSED

This measure should be amended to include the Commissioner of the Department of Fish and Game (ADF&G) as a member of the task force. Direct involvement of ADF&G is critical to the success of the task force. By law and administrative procedures, the design and construction of a Trans-Alaska natural gas pipeline project will require extensive agency and industry consultation with ADF&G and in numerous instances Title 16 approvals.

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

*2 SFC*

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: "An Act establishing a task force  
... natural gas pipeline..."  
Sponsor: Sen. Kelly, Sturculewski, et al  
Requestor: Sen. Fahrenkamp

Agency Affected: Office of the Governor  
BRU: Executive Operations  
Components: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL	.4	.4				
CONTRACTUAL	1.8	3.8				
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>2.2</b>	<b>4.2</b>				

CAPITAL						
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REVENUE						
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND	2.2	4.2				
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>2.2</b>	<b>4.2</b>				

**POSITIONS:**

FULL-TIME	-	-				
PART-TIME						
TEMPORARY						

**ANALYSIS : (Attach a separate page if necessary)**

See attached analysis

Prepared by: Michael A. Nizich, Director Phone: 465-3616  
Division: Division of Administrative Services Date: 2/13/90

Approved by Commissioner: Garrey Peska, Chief of Staff Date: 2/13/90  
Agency: Office of the Governor

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

SB 434 Analysis

Analysis assumes travel and per diem costs for executive branch members will be absorbed within each agency's operating budget. Fiscal note provides for meeting expenses for one public member only.

TRAVEL .4

Assumes 10 meetings to be held in Anchorage.  
5 meetings in FY 91, 5 meetings in FY 92.

per diem @ 80/day x 1 day x 1 person x 5 meetings = 400

CONTRACTUAL 1.8

Advertising, Printing & Binding:

Advertising -- 5 meetings x 350	1,750
Printing -- Final report (FY 92)	2,000

Absent legislative appropriation for related task force expenses, fiscal note assumes support needs will be provided by participating agencies.