

HCR

8

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HCR 8
 (H) Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
 Title: North Slope Natural Gas Pipeline Routing BRU: _____
 Sponsor: Rep. Jim Whitaker Component: _____
 Requester: House Oil & Gas Committee Component Number: _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Linda Hay, Committee Aide Phone 465-2283

Representative Representative Scott Ogan Date 3/23/2001
 Committee Chair

Subject: HCR8 Update

Date: Thu, 05 Apr 2001 14:26:03 -0800

From: Jennifer Yuhas <Jennifer_Yuhas@Legis.state.ak.us>

Organization: Alaska State Legislature

To: Lori Backes <Lori_Backes@legis.state.ak.us>

Tam Cook said OK - they will draft the final for me to get to the floor in the AM.

I told her that yes I had read the memo, she confirmed that even though we don't normally do it that way, that we ARE allowed to - and I let her know that that is the will of the Sponsor and the Chair in this instance.

22-LS0764\O
Chenoweth
4/5/01

CS FOR HOUSE CONCURRENT RESOLUTION NO. 8(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE RESOURCES COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES WHITAKER, Harris

A RESOLUTION

1 Expressing the legislature's opposition to the proposed "northern" or "over-the-top"
2 route for a natural gas pipeline to transport North Slope natural gas reserves to the
3 domestic North American market, and expressing the legislature's support of
4 commercialization of North Slope natural gas for the maximum benefit of the people of
5 the state.

6 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 **WHEREAS** art. VIII, sec. 1, Constitution of the State of Alaska, provides that it is the
8 policy of the state to encourage the settlement of its land and the development of its resources
9 by making them available for maximum use consistent with the public interest; and

10 **WHEREAS** art. VIII, sec. 2, Constitution of the State of Alaska, requires the
11 legislature to provide for the utilization, development, and conservation of all natural
12 resources belonging to the state, including land and waters, for the maximum benefit of its
13 people; and

14 **WHEREAS** 35 trillion cubic feet of known natural gas reserves are acknowledged to
15 be adherent to oil and gas leases on the North Slope of Alaska, and, additionally, realistic

1 estimates of total recoverable gas from the reserves exceed 100 trillion cubic feet; and

2 **WHEREAS** demand for new sources of natural gas supply in North American and
3 Asian markets places Alaska's North Slope natural gas in the unique position of being
4 attractive to both markets; and

5 **WHEREAS** improved economics, technological advances, and the possibility of
6 public financing of a natural gas pipeline, including particularly the financing proposal of the
7 Alaska Gasline Port Authority, a public authority established by Alaska municipalities for the
8 promotion of transportation-related commerce, have removed previously perceived barriers to
9 the commercialization of Alaska's North Slope natural gas; and

10 **WHEREAS** it is widely recognized that maximum benefit to Alaskans from the
11 commercialization of North Slope natural gas lies in market exposure for Alaska North Slope
12 gas reserves, opportunities for in-state use of the natural gas and for participation by Alaskans
13 in construction, maintenance, and operation of the gas line transportation project, and the
14 recovery of revenue by the state from the development, transport, and sale of Alaska North
15 Slope gas reserves; and

16 **WHEREAS** the "northern" or "over-the-top" route for the proposed pipeline, running
17 east from the North Slope to Canada's Mackenzie River Valley, then south through that valley
18 to link to existing pipeline networks, under consideration by the North American Gas Pipeline
19 Group, offers none of these benefits; and

20 **WHEREAS** oil and gas leaseholders on Alaska's North Slope continue to develop
21 competing gas projects elsewhere in the world, including liquefied natural gas shipments to
22 North American West Coast ports, while Alaska gas remains warehoused;

23 **BE IT RESOLVED** that the Alaska State Legislature supports the commercialization
24 of Alaska North Slope natural gas for the maximum benefit of the people of the state; and be
25 it

26 **FURTHER RESOLVED** that the legislature will exercise every power within its
27 constitutionally required authority to facilitate commercialization of Alaska North Slope
28 natural gas for the maximum benefit of the people of the state; and be it

29 **FURTHER RESOLVED** that the legislature opposes construction of a "northern" or
30 "over-the-top" route for a natural gas pipeline; and be it

31 **FURTHER RESOLVED** that the legislature will exercise every power within its

1 authority to prevent the routing of a North Slope natural gas pipeline that bypasses Alaska.

2 **COPIES** of this resolution shall be sent to the Honorable George W. Bush, President
3 of the United States; the Honorable Richard B. Cheney, Vice-President of the United States
4 and President of the U.S. Senate; the Honorable J. Dennis Hastert, Speaker of the U.S. House
5 of Representatives; the Honorable Trent Lott, Majority Leader of the U.S. Senate; the
6 Honorable Thomas Daschle, Minority Leader of the U.S. Senate; the Honorable Gale Norton,
7 United States Secretary of the Interior; the Honorable Tony Knowles, Governor of the State of
8 Alaska; the Honorable Pat Pourchot, Commissioner, Department of Natural Resources, the
9 Honorable Wilson L. Condon, Commissioner, Department of Revenue, the Honorable
10 Michele Brown, Commissioner, Department of Environmental Conservation, the Honorable
11 Frank Rue, Commissioner, Department of Fish and Game, the Honorable Joseph L. Perkins,
12 Commissioner, Department of Transportation and Public Facilities, the Honorable Ed
13 Flanagan, Commissioner, Department of Labor and Workforce Development, the Honorable
14 Glenn G. Godfrey, Commissioner, Department of Public Safety, and Patrick Galvin, Director,
15 Division of Governmental Coordination, Office of the Governor, the heads of the agencies
16 specified in Administrative Order 187 with responsibilities with regard to state permits,
17 authorizations, and oversight related to the preconstruction and construction of certain natural
18 gas pipelines; Frank Brown and Jim Sampson, co-chairs, and Mike Navarre, George Wuerch,
19 Grace Schaible, Bill Corbus, Charles Cole, Al Adams, Carl Marrs, Rosemarie Maher, Esther
20 Wunnicke, Jack Roderick, Brian Davies, Jim Jansen, Dave Rose, Ed Rasmuson, Lee Gorsuch,
21 Bob Penney, Rhonda Boyles, Ron Duncan, Ken Thompson, Peg Tileston, Jacob Adams,
22 George Ahmaogak, Jeff Feldman, Jon Rubini, Jerry Hood, and Mike O'Connor, members,
23 Governor's Alaska Highway Natural Gas Policy Council; William G. Britt, Jr., Pipeline
24 Coordinator, Office of the Commissioner of the Department of Natural Resources; and to the
25 Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the
26 Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

LEGAL SERVICES

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MEMORANDUM

April 5, 2001

SUBJECT: CSHCR 8 (Resources), expressing the legislature's opposition to the proposed "northern" natural gas pipeline route.
(Work Order No. 22-LS0764\O)

TO: Representative Beverly Masek, Co-Chair
Representative Drew Scalzi, Co-Chair
House Resources Committee
Attn: Jennifer Yuhas

FROM: Jack Chenoweth
Assistant Revisor of Statutes

It is arguably improper, a violation of the Uniform Rules, for a concurrent resolution to be "copied" or distributed as the committee is proposing.

Under Uniform Rule 49(a), the form of a concurrent resolution is limited. The introductory language of the text of the rule specifies that "The types and uses of resolutions are as follows:", and then declares, in paragraph (3), that

(3) A concurrent resolution is similar to the simple resolution but reflects the will, wish, view or decision of both houses speaking concurrently. It is used particularly to handle the internal business of the legislature, e.g., adjournment of the legislature, suspension and amendment of the Uniform Rules, requesting action of executive agencies and interim committees, and fixing the time and place for joint assemblies.

When a concurrent resolution is adopted, the agency head is advised, either by reading the document or by having attention called to it by the executive, of action that the legislature expects to be taken. The rule addressing use of a concurrent resolution is silent about its distribution.

The distribution provisions are uniquely related to the joint resolution which, under Rule 49(a)(5), provides:

(5) A joint resolution is the most formal type of resolution and is adopted by both houses and then signed by the governor as a ministerial formality. The joint resolution is treated in all respects as a bill but it is

Representative Beverly Masek
Representative Drew Scalzi
April 5, 2001
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not subject to veto. *It is usually reserved for addressees outside the state.*
This resolution is used mainly to express the view or wish of the legislature to the President, the Congress or agencies of the United States Government or the governments of other states. . . . Approval of a joint resolution requires a majority vote of the full membership of each house.

It is, I suppose, by implication of the paragraph's third sentence that the Speaker's Office advised you that a concurrent resolution might be used for addressees in the state.

*

Having said that, you should know that concurrent resolutions are regularly copied and distributed. In the 2000 legislative session, as a recent example, Legislative Resolves 31, 33, 42, and 53 are examples of concurrent resolutions that were subsequently distributed to named recipients--some of whom even are "addressees outside the state."

JBC:lmb
01-128.lmb

HCR-8
Testimony to House Resources Committee

Good Afternoon Co-Chairs, members of the committee. My name is Michael Hurley and I am here today, representing the North American Natural Gas Pipeline Group, to express our views on HCR-8 .

As you are aware, the three companies participating in the group (BP, ExxonMobil, and Phillips) are working diligently to develop an economically viable project to commercialize North Slope natural gas by pipeline through Canada to the Lower 48 market. And in doing that, it is incumbent on us to fully consider the options that could help accomplish that goal.

Indeed, the Federal Energy Regulatory Commission, before it issues a certificate of public convenience and necessity, requires us to analyze alternative pipeline route options as part of the application process.

This project has the potential to be the largest energy project in North America, and will require capital investments in the billions of dollars. Investment decisions cannot be taken lightly, and must be made with the confidence that can only be gained by a thorough evaluation of the alternatives, and an understanding of their relative strengths, weaknesses, risks, and rewards. Such an approach is fundamental to good business decision-making.

Our efforts are focused on creating and understanding opportunities, not prematurely discarding them. This resolution seems to suggest we do the latter. We believe that legislative action which recommends shutting down options before they are fully understood limits dialog and interferes with the fundamental dynamics of a free-market economy.

It cannot be forgotten that any Alaskan gas project, whether it be LNG, GTL or pipeline technology, must be able to deliver products to the market at a competitive cost in order to succeed. There are many other competing sources of supply, and buyers will go elsewhere if a project fails in this regard. If either Alaska project advances, the benefits to the state and its citizens and businesses will be substantial, and will make a significant contribution to Alaska's economic future.

Finally, the work we are undertaking this year will yield information we believe will be necessary for reasoned decision-making. We have been listening to the views and concerns of the Alaska Legislature and of Alaska's citizens, and we will be evaluating alternatives on the basis of seven criteria:

- Overall project economics,
- Alaskan access to gas,
- Jobs for Alaskans,

- Revenues to the State,
- Safety,
- Environmental Protection, and,
- Project timing.

We do not feel we have enough information yet to make a route decision. Indeed, that is the reason for our aggressive work program. Again, we think that the interests of commercializing North Slope gas are best served by creating choices, not eliminating them. We expect that there will be many future opportunities for legislative guidance and action.

I would like to thank the Co-Chairs and the Committee for this opportunity to express our views on this resolution.

Alaska State Legislature



Representative Jim Whitaker
House of Representatives
District 31

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SPONSOR STATEMENT

HCR 8

Expressing the Legislature's Opposition to the "Northern" Route

The State of Alaska is on the verge of a new natural resource development. The natural gas pipeline has become a topic of great concern among legislators. It is incumbent upon the legislature to make a strong statement regarding its intent to uphold its constitutional mandate.

The legislature, in the Alaska State Constitution, is charged with ensuring development of Alaska's resources in the maximum best interest of the people of Alaska. For all the reasons laid out in the resolution, the so-called "northern route" is not in the best interest of the people of Alaska, and therefore, need be opposed by the legislature.

Bill History/Action Display



BILL: HCR 8

SHORT TITLE: NORTH SLOPE NATURAL GAS PIPELINE ROUTING

BILL VERSION:

SPONSOR(S): REPRESENTATIVE(S) WHITAKER, Harris

CURRENT STATUS: (H) RES

STATUS DATE: 03/30/01

HEARING: (H) RES Apr 04 1:00 PM CAPITOL 124

TITLE: Expressing the legislature's opposition to the proposed "northern" or "over-the-top" route for a natural gas pipeline to transport North Slope natural gas reserves to the domestic North American market, and expressing the legislature's support of commercialization of North Slope natural gas for the maximum benefit of the people of the state.

[Full Text](#)

[Fiscal Notes](#)

[Committee Action with Bill History](#)

Jrn-Date	Jrn-Page	Action
03/16/01	0625	(H) READ THE FIRST TIME - REFERRALS
03/16/01	0625	(H) O&G, RES
03/30/01	0785	(H) O&G RPT CS(O&G) 4DP 1DNP 1NR
03/30/01	0786	(H) DP: FATE, GUESS, DYSON, OGAN;
03/30/01	0786	(H) DNP: KOHRING; NR: CHENAULT
03/30/01	0786	(H) FN1: ZERO(H.O&G)
03/30/01	0786	(H) REFERRED TO RESOURCES

[Similar Subject Match](#) or [Exact Subject Match](#)

[EASEMENTS](#)

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Bill Root:

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BASIS HAS BEEN RE-PROGRAMMED THIS YEAR



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