

SB 104

(FILE 3)

**PUBLIC
COMM'TS**

**Frontiersman Question for March 6, 2007 Publication
Answer due March 2, 2007**

Answer from Senator Charlie Huggins, District H (Rural Mat-Su/Chugiak)

Question: Other than the gas line, what are your priorities for this session?

The 2007 Legislative Session creates high expectations, with Governor Palin being overwhelmingly popular and full of energy and charisma, and with multiple new faces in the Senate and House of Representatives.

As the Chair for the Senate Resource Committee, the "800-pound gorilla" issue continues to be the gas pipeline. The fiscal size, cost parameters, and geo-politics inherent in a project of this order of magnitude are certainly major challenges. We must insure Alaskans understand and support the development process. All reasonable and feasible courses of action must be examined and support must be based on merit. A robust professional team, characterized by focus, integrity, and tenacity, should be assembled and allowed to function. It is important that dissenting opinions be heard. The process should be credible, timely, and transparent to average Alaskans.

Additionally, we must work to craft a comprehensive resolution to the PERS/TERS fiscal challenge. The \$8-billion, under-funded PERS/TERS system is the State's responsibility, with local government interaction. I support making a significant "first step" payment toward the under-funding this session. The solution to this challenge requires a comprehensive and long-term approach. A bonding concept may offer some partial solutions, but not without some risk profile.

Education, transportation, and public safety continue to be at the top of my priorities for the Valley and the State. I am hopeful that education funding will be decided early, thus enabling our school districts to plan in advance and stabilize staff retention. Early funding for Mat-Su continues to be critical due to ever-increasing growth in student enrollment and the demand for new staff hire.

I encourage you to contact our office to share your opinions, and also attend the Legislative Town Meetings in the Valley during the next two months. We want to know what you think.

Joint Legislative Gas Teleconference

Honorable Chair

Chair Charlie Huggins to Vic Varing

The Honorable Governor Sarah Palin and Honorable ~~members of the~~joint Legislature Senate Resources & House Oil
member of the Joint CommitteeMy name is Don Benson—I was born and raised here in the Matanuska
Valley—Along with my Parents ----- my Grandparents were 1935
Colonists

I would like to take this moment to encourage the Entire Legislature to
support the Governor's Natural Gas Pipeline Proposal— with take off
points that include Alaska Cities and Villages.

The Governor's proposal will bring Natural gas to our Alaska Homes
and Businesses.

Natural Gas is the cleanest and most reliable type of Heat and Power. It
can be backed up with Hydroelectric, Wind, Solar, and what ever else
may come along. We Had three 30% increases
Last Year here in the Valley
I am here to ask the legislature to Help bring the GAS home — We need
to invest in THE Future of Alaska AND the United States first, so our
children can afford to live here when we are gone as we have
let the Gas sell itself
Get Behind the Natural gas— We can't afford not to.

THANK YOU

for this chance to

DONALD A BENSON

Palmer

745-4913

Notes and Date: Monday, April 2, -07

TO: Governor of Alaska, Legislature, Ladies and Gentlemen

4

ATTN: Senate Resource Committee and House Oil and Gas committee

FROM: Paul D. Kendall

8

REF: a request for testimony on Refinery, Utility, and Industrial User / purchasers

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Please let us all complete this AGIA task together, share the endurance and expense, and have this done with and on record as it should be.

16

We need to see and hear testimony from a Major Refinery, Major Utility and a Major Industry User / purchaser for various reasons.

This should complete the picture of the "Fossil Fuel Energy Distribution Network and Association System"

20

I would suggest you call Nevada PUC in Reno and ask to talk to the chairman who overviewed the Nevada Power electric rates hearing in 2001, who suffered a Billion dollar loss overnight in a power trade with Enron OR, a call to California who suffered 38 billion dollars in losses in energy charges.

24

The above mentioned large losses were in the electricity end of the fuel. However; As I reflect, I seem to remember that the Energy Business is using some of the same Modes of Operation (MOs) in sister sections; Another reason I suggest the above is because we need to see the mechanisms under which a state can lose such a large amount of money because we Alaskans are now potentially, in a larger monetary playing field...

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We need to look at some cases of worst case events contrived or coincidental---the above have engaged such an event and should be able to give us insight to any down sides we are not aware of at this time.

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We as in you and us all Alaskans, have a vested amount of time in this moment in our history "in this 30 years late learning up" of what we should have already known.

44

This historical public process you are currently creating is in essence a historical record and educational archive which will have long standing references for many reasons and for many years to come in Alaska. You may even be affecting many generations to come.

Let us do this right and complete this Energy course so long overdo.

48

It is important for you ladies and gentlemen, as our leaders being the first to engage this moment brought to us by an unprecedented election of some magnitude of public awareness and "new energy" design, to reach out to set the bar, the standard, the degree of excellence, performance, public service, and finally, the content value of the archived testimonial data you will leave for posterity??

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You see, if you look at the depth, breadth, and magnitudes of all of the players or components who have joined us at this intersection of history in Alaska, Then it does call on you each to rise to the occasion and accomplishment of those of larges around you!

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Reflect on just a few of these stage fellows of associates of magnitudes of extremes for a moment;

64

--Purported New Age in Artic Area Exploration of new mineral wealth (25% of worlds) do to Climate change

--Purported World Climate emergency

68

--The lowest rated Governor in the US.

--One of Alaska largest corruption unfolding in history

--The unprecedented election by the will of the people against nearly overwhelming odds of the new Governor Palin (of new energy)

72

--The Largest proposed pipeline the history of the world

--The Larges Oil Companies in the World

--Perhaps one of the largest oil, gas, hydrates, etc. fields in the world

--One of the worlds largest mining projects on the horizon for Alaska

76

--I doubt your ready for this yet, but; Alaska may have a calling with destiny and of the stuff that dreams are made of : A Hydrogen Gas Moment in world history

--(for the record I am sure I have left out someone or something else!)

80

Will you rise to the level of the occasion and associations? Will you fly with the crows or soar with the Eagles? Will you be remembered as those of extreme failure do to a need for individual greed, or fears; or will you be more than you are or dreamed you could be?

84

As you the Senate Resource Committee and you the House Oil and Gas Committee wrap up your preliminary review of AGIA and pass it on to the next Committee for review

88

(Won't the next committees need a little time to come up to speed in reviewing the body of accumulated testimony and other information around your time spent in unfolding the AGAI role ? It seems to me just as it is with

92

technology now projected to double every 18 months ; So it is somewhat with energy needs and as well with the AGIA agreement, it to will also begin to build testimonial and factual data necessary to be reviewed in it fabric like design witch may require more time)

96

can you arrange for a Refinery, Utility, and Industrial end user / buyer to come before the Committees as a trailing and completing testimony for a completion of perspectives summation by your committees?

100

Especially if you consider (a) Alaska's need to develop a refinery capacity of some size or another for our infrastructure needs and When you look at all of the various gasses, chemicals, and other extractions from a barrel of fossil fuel oil ; (b) there must be many business here in Alaska that would find it interesting in reference to see which markets we might affect drastically or minimally by the many commercial components and applications of a refinery operation.

104

108

We have seen the birth and breach of OIL based energy, and currently under review is construction, finance edges, taxes, fees, and players involved in transmission. However: It is also important to see how the producers can direct into various market sectors via distribution or distributors the product so as to minimise profits at one point while maximising profits at another point because they have classified what used to be a "product" into a "commodity" status giving it a new realm of accountability and manageability..

112

116

(im too tired to talk about Industrial users and Purchasers except to say that some industries have considered negotiating directly with resource owners themselves to get around the unpredictability and volatility (of price and availability too) of trying to feed the ever unpredictable and money needing "Fossil Fuel Distribution Network and Association System".

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IMPORTANT---OTHER

Will you designate a competent and honorable team to gather all of the videos for every meeting around and on the AGAI meetings. Arrange for a safe repository site with the Attorney General, Museum Vaults and other places in the state like Anchorage, Fairbanks, etc.... Vaulted and fully backed up..

128

132

(including the old prior stranded gas testimonies)

Also, make good high quality copies, sequentially organize them in appropriate dates and titles

136

and have the various communities play them on local community cable channels in proper order – (again, only AGAI stuff) FYI – Gav to Gav has to pay big \$ for satellite transmission time to broadcast, I was told..

140

I think this is very important because we are all stock holders or stakeholders in our states assets and we are obligated to endure to understand their role just as you all have done and are doing on our part and behalf; not to mention for our children and their children.

144

As I heard Chairman Huggins say to the big producers ; “please, Help us so we can help you!”

148

While your finishing our course in fossil fuel energy from its cradle of discovery, to its many end uses and impacts --- OR --
“ the Fossil Fuel Distribution Network and Associations System ”

152

Please set a standard of excellence and expectations that we are worthy of by having these meetings shown on local stations at length, so that we can refer to you along with your actions as an example of representing a truly free and open society when it comes to doing the “publics business in public”

156

In closing,

160

Respectfully and Sincerely,

Paul D. Kendall
907-222-7882

164

We are all more than we are, or want to be, when we have to be more than we are!

168

This is your time, on our behalf, at this intersection in Alaskan History.

They probably won't remember us little folk; But history will never forget you!

172

I am sure you will all make us proud; because, if you don't, we along with your children's children will see it; Forever recorded in history, in color video .

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Something to think about. Eh?



THE ALLIANCE

... for responsible development of Alaska's Oil, Gas & Mineral Resources

SENATE RESOURCES / HOUSE OIL & GAS TESTIMONY

On SB 104 / HB 177

March 21, 2007

Thank you for this opportunity to testify on Senate Bill 104 and House Bill 177, the Alaska Gasline Inducement Act. My name is Paul Laird, and I'm general manager and testifying on behalf of the Alaska Support Industry Alliance.

We're not ConocoPhillips, or BP, or ExxonMobil, or Anadarko or UltraStar. We're not Transcanada, or Enbridge or MidAmerican.

Our 400+ member companies generate more than 30,000 jobs for Alaskans by transporting the materials; drilling and servicing the wells; building the roads, flowlines and facilities; providing food, security and housekeeping services, and offering myriad other products and services that make oil, gas and mining activity possible in Alaska.

We understand the importance and the urgency of transforming Alaska's gas potential into a gas project. Our opportunity to market North Slope gas won't last forever. There's a very real risk of losing it if we don't act quickly.

Project costs are soaring. Lower 48 utilities are making long-term commitments for other fuel sources such as coal. The threat of our gas being displaced from our markets by LNG imports is growing, and North Slope oil production is declining. We commend the governor and her team for developing a plan so quickly after taking office and concur with the priorities set forth in SB 104 / HB 177.

Like you, Chairmen Huggins and Kohring and members of your committees, we at the Alliance are working diligently to understand the details and implications of the Alaska Gasline Inducement Act. We still have more questions and concerns than we do solutions, and we're committed to doing what we can to move the process forward efficiently and positively.

We're concerned about the \$500 million state matching contribution for costs a licensee incurs in acquiring a FERC certificate. It's unnecessary, and it may not be the best use of state funds. We're concerned about any provision that transforms pretenders into contenders for a state license, like conceding 4 additional years for a licensee lacking credit backing at the time of FERC certification to sanction a project. By the administration's timetable for FERC certification, this could delay first gas sales until the early to mid-2020s.

ALASKA SUPPORT INDUSTRY ALLIANCE

Do we really want Alaska's future in the hands of a licensee that needs a \$500 million contribution from the state in order to be viable, or one that lacks financing? The Alliance believes in having a level playing field for all applicants, but we oppose provisions that promote artificial parity among the players. Alaska's interests are best served if the most commercially viable project is built by the strongest possible developer.

We're concerned that there are no objective criteria for evaluating applications – for weighing the relative importance of various elements of the application, assessing the risks associated with each proposal and prospective developer and selecting a licensee in an open, fair and transparent manner. For Alaska's future, it's imperative that the applicants be judged on their performance and ability to deliver, not their promises.

We're concerned about any process mandating the state to choose a "winner" and promote a monopoly at the expense of other prospective project developers. Alaska's history is strewn with the remnants of projects for which the state picked "winners," and there's too much at stake with the gas pipeline to allow that kind of dubious history to repeat itself.

Finally, we're concerned about the same critical issue that concerns many of you: If we build it, will they come? ... Once the state chooses a licensee to build a pipeline, will the producers come to the open season?

We believe the Alaska Gasline Inducement Act, as currently drafted, puts too much emphasis on mitigating the short-term financial risks incurred by pipeline builders and does too little to address the much longer-term risks of gas shippers. Upstream issues like real long-term tax stability and construction of a gas treatment plant need to be resolved first if Alaska truly wants North Slope producers to commit their gas to a project.

The Alaska Gasline Inducement Act may represent our last and best chance at making a North Slope gas project a reality. We urge you to fix it and pass it, and we pledge our full support of your efforts to craft a bill that acknowledges the interests of Alaskans, of the developer and transporter and of North Slope producers and shippers.

We look forward to working with you and with the governor and her team to help transform our enormous gas potential into decades of clean, reliable domestic energy for Americans and generations of prosperity for Alaskans. Thank you.

Sharon Long

From: Sen. Charlie Huggins
Sent: Tuesday, March 27, 2007 1:36 PM
To: Sharon Long
Subject: FW: Is this true?

From: Thomas & Sherry Whitstine [mailto:tswhit@matnet.com]
Sent: Tuesday, March 27, 2007 12:12 PM
To: tswhit@matnet.com
Subject: Is this true?

<http://www.reuters.com/article/companyNewsAndPR/idUSN2638746720070326>
Is this true?

Please tell me that the hearings are not just a big act, a dog and pony show. It is unbelievable that the same individuals who denied the passing of Governor Murkowski's plan because you thought the contract was too much of a giveaway, would not see that Sarah's perverted plan is worse then that. So all of the legislators, Alaskan people, Drue Pearce and the President are so excited about this act of creating the terms of private business and the open market by a state? Are you flippin kidding me? That is called socialism, in any case it is the opposite of capitalism! How can there so much support for a crazy non starter plan? When some of you had NO support for the contract in front of you last year? Previous contract is very detailed, includes many of the details that should be compared to agla. We had all the state agencies, sponsors, state statutes and contractors already onboard and considered the investment. Please consider what we had to what we get with this nonsense.

<http://www.revenue.state.ak.us/gasline/ContractDocuments/>

Please forward to appropriate committee members

*pub. testimony***Sharon Long**

From: Sen. Charlie Huggins
Sent: Friday, March 30, 2007 3:34 PM
To: Sharon Long
Subject: FW: *****SPAM***** NATURAL GAS LINE

From: Willie P Thomas [mailto:wthomas57@hotmail.com]
Sent: Friday, March 30, 2007 2:27 PM
To: Rep. Harry Crawford; Rep. Gabrielle LeDoux; Rep. Richard Foster; Rep. Nancy Dahlstrom; Rep. Vic Kohring; Sen. Gary Wilken; Rep. Bob Lynn; Rep. Kurt Olson; Rep. Mark Neuman; Sen. Hollis French; Sen. Charlie Huggins; Rep. Bill Stoltze; Rep. Berta Gardner; Sen. Kim Elton; Rep. Ralph Samuels; Sen. Tom Wagoner; Sen. Fred Dyson; Rep. Mike Chenault; Sen. Gene Therriault; Rep. Jay Ramras; Sen. Lesil McGuire; JIM ELKINS; Sen. Lyda Green; Rep. Paul Seaton; Rep. Carl Gatto; Rep. Les Gara; Rep. John Harris; Rep. Mary Nelson; Sen. John Cowdery; Sen. Gary Stevens; Rep. Woodie Salmon; Rep. Mike Kelly; Sen. Johnny Ellis; Rep. Peggy Wilson; BILL THOMAS JR; Sen. Con Bunde; Rep. Sharon Cissna; Sen. Albert Kookesh; Sen. Lyman Hoffman; Rep. Max Gruenberg; Sen. Bert Stedman; Rep. Mike Hawker; Sen. Donny Olson; Rep. John Coghill; Sen. Bettye Davis; Rep. David Guttenberg; Rep. Kevin Meyer; Rep. Beth Kerttula
Subject: *****SPAM***** NATURAL GAS LINE

AS THE STATE LEGISLATURE BEGINS WORKING ON A STATE GASLINE THAT BY CONSTITUTIONAL DEMAND THAT ALL NATURAL RESOURCES BE SHARED WITH ALL ALASKANS, IT IS MY WISH THAT AS YOU DELIBERATE THE GOVERNORS LEGISLATION, YOU WILL KEEP IN YOUR MIND THAT IF A EXTENSION LINE BE INCLUDED TO ANCHORAGE, FAIRBANKS, GLENNALLEN AND ANY COMMUNITY IN THE VICINITY OF THE GASLINE, YOU WILL INCLUDE LEGISLATION THAT WILL INCLUDE IN THIS LAW THE ISSUE OF HIGH HEATING OIL AND GAS FOR RESIDENTS OF ALL RURAL AREAS. I ALSO BELIEVE THAT A STUDY BE MADE AVAILABLE ON THE STATE WEB SITE ALL CURRENT HEATING OIL AND GAS RETAIL PRICES.

RIGHT NOW HERE IN KOTZEBUE, ALASKA FOR A 53 GALLON DELIVERY OF HEATING OIL IS IN THE RANGE OF \$250.00 - 260.00, WHICH IN MOST CASES IS GOOD TO LAST FOR AT LEAST TWO WEEKS. THIS DOES NOT PAINT A VERY IN ENCOURAGING FUTURE FOR THE RURAL COMMUNITIES WITH THE UNCHECKED HIGH PRICES BEING PASSED ON TO THE CUSTOMERS.

IN CLOSING, I COMMEND YOU ALL FOR GIVING YOUR TIME AND THANK YOUR FAMILY FOR SHARING YOU FOR ALL OF US IN THE STATE.

WILLIE THOMAS
KOTZEBUE, ALASKA

NEW WAVE TECHNOLOGIES

Henry Kroll, President

513 PENINSULA

KENAI, ALASKA 99611 (907) 252-1390

Governor, Sarah Palin and Legislators
PO Box 110001
Juneau, Alaska 99811

Dear Governor Palin:

I don't get involved in the affairs of government very often but when I see plans that make absolutely no sense I feel compelled to speak out. Sometimes governments get so intoxicated with visions of grandeur that it overrules common sense. I know you have gone over many of the technicalities of building the gas pipeline hundreds of times in the past but maybe, just maybe we can shed a little light on the subject. My business partner who has years of experience overseeing and constructing gas pipelines suggested that I write this letter. It is in all our best interests to keep the construction costs down commensurable with production and available markets so that all parties involved will best served and the gas will get to market sooner.

54-INCH LINE VERSES A 48-INCH LINE

1. So what if we pump all the gas from the north slope gets pumped south in 50 years instead of 40. The additional gas pumped through a 6-inch larger diameter pipe won't make much difference. If you are pumping more gas through the larger pipe it will take larger pumps that have to be specially made. The additional costs to build the bigger pumps could run the cost up a billion dollars. The additional gas used to operate the pumps will nullify any additional profit from the larger diameter pipe.
2. The pipe isn't available for a 54-inch-diameter line so it will have to be special made at much additional cost. It will probably have to be made in Japan or China not America so Americans will loose jobs.
3. If the 48-inch pipe were made with heavier steel it would last much longer and be less susceptible to accidental earthquake rupture or terrorist attack.
4. We hear that you plan on running the gas into a gas line in Alberta, Canada. If the Canadian line is only three-feet in diameter there is no point in running a 48 or even a 54-inch gas line all the way down there because there is no way it can handle it.
5. The economy is going down hill in Michigan and other surrounding states so there is guarantee that you can sell all the gas when it gets there.
6. They don't have enough sod booms available to lower the larger gas line into the ditch and it will take time to make more adding another billion to the construction project.
7. They don't have a pipe bender big enough to handle 54-inch pipe so they will have to specially built adding many millions to the project.
8. The back-hoe buckets got to be at least 60-inches wide or larger to dig the ditch for the 54-inch pipe. When you go around a bend the ditch has to be even wider requiring extra time to dig the ditch running the costs up installing the larger pipe. Caterpillar or some

40 ft
lines

- does
10 speed
web of
pipe

other company will have to construct the specially made back-hoe buckets adding millions to the cost of the project.

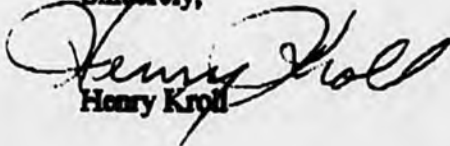
9. It takes gas to pump gas and on that long a line its going to cost 43% of the gas to get it to Chicago.

10. A 48-inch line is the biggest you need to go and if you need more gas later on you can put in several 10 to 20-mile-stretches of parallel lines along side. You will need extra capacity to pump gas uphill grades for twenty or thirty miles when traveling through Canada. The flow can be greatly increased (almost doubled) by putting in 10 to 20-mile-long parallel lines on the uphill grades. This will also reduce the pumping costs and has been proven very feasible in Europe. You may have to hire a German Engineer to plan this.

BOTTOM LINE

It will cost ten billion less if you put the gas line in with 48-inch-diameter pipe. The gas will get to market sooner, the state government will have money coming in sooner and the gas line will last much longer with the heavier pipe. If you go with the 54-inch pipe, the project might be delayed ten years. We would appreciate it if you would pay us 5% of any savings derived from utilizing the suggestions made in this letter.

Sincerely,



Henry Kroll

Sharon Long

From: Sen. Charlie Huggins
Sent: Tuesday, March 27, 2007 4:58 PM
To: Sharon Long
Subject: FW: Comments on AGIA

From: Joey Brockhouse [mailto:wolfcrow@earthlink.net]
Sent: Tuesday, March 27, 2007 2:31 PM
To: Sen. Charlie Huggins
Subject: Comments on AGIA

I am concerned that producers will be given too much control in the gas line process. The producers will push for a monopoly on the gas line and if they get it Alaska loses. Open bidding is in all Alaskans best interest. We are in a free market economy. Supply always follows demand in an open or black market. Competition always results in a better deal for consumers. When a pipeline is finished the producers will have to use it. It is better to sell the gas at any price than to waste money pumping back it into the ground.

The oil companies are once again counting on threats to fool the legislature into making a bad deal for Alaska. Exxon still hasn't fulfilled it's promise to make Alaskans whole after the Exxon Valdez oil spill and it has cost us billions of dollars. Every person that has died and will die saves them money and Exxon is counting on it. Why trust a word they have to say?

"Fool me once shame on you, fool me twice shame on me."

I hope that you will make the right choice.
 Joey Brockhouse

-----Original Message-----

From: "Sen. Charlie Huggins"
Sent: Mar 23, 2007 1:58 PM
To:
Subject: Update on committee hearings on AGIA

Alaska Gas Inducement Act (AGIA) Hearings

Senate Resources Committee Schedule For Saturday, March 24 – Sunday, April 1

Unless otherwise noted all meetings are held in the Butrovich Room 205

Note: Irregular Time Schedule and Extra Meetings This Week

Saturday, March 24, 1:00 - 3:00 - Senate Finance Room

Joint meeting with House Special Committee on Oil & Gas

SB 104 / HB 177 - Natural Gas Pipeline Project

Public Testimony - Time Limit may be set

Saturday, March 24, 3:00 - 5:30

SB 104 - Natural Gas Pipeline Project

Testimony - Listen only

Monday, March 26, 3:30 – 7:30

SB 104 - Natural Gas Pipeline Project

**Presentation: Industry: Trans Canada; Alaska Gasline Port Authority; Testimony:
 By Invitation**

Tuesday, March 27, 3:00-6:00

SB 104 - Natural Gas Pipeline Project

Presentation: Industry: Enbridge Testimony: By Invitation



THE ALLIANCE

... for responsible development of Alaska's Oil, Gas & Mineral Resources

- Position on the Alaska Gasline Inducement Act - Senate Bill 104 / House Bill 177

First and foremost, the Alliance wants a gas project ... sooner rather than later, and with the greatest long-term benefits for the State of Alaska, Alaskan workers, Alaskan businesses and all Alaskans. North Slope gas commercialization holds the key to Alaska's future.

We understand the importance and urgency of transforming our gas potential into a gas project. The opportunity to market our gas won't last indefinitely, and there's a very real risk of losing it altogether if we don't act quickly. Project costs are escalating, prospective utility customers are making long-term commitments for other fuel sources (such as coal), the threat of being displaced from key markets by LNG imports is growing, and North Slope oil production continues to decline. Given the long lead time for a gas project and gas revenues flowing into state coffers, this puts Alaska's fiscal future in further peril.

The Alliance commends the governor and her team for developing a plan quickly after taking office and concur with the general principles set out in the legislation. We also believe the Alaska Gasline Inducement Act will fail in its objective of achieving a gas project unless changes are made prior to passage:

Bid requirements set out in the bill are too prescriptive and should be replaced with broad objectives (e.g., ensuring pipeline access for explorers and ensuring access to in-state supplies). As currently stated, the bid requirements will limit competition in the bidding process, as well as creativity in satisfying the state's needs. There may be more than one way to reach mutually beneficial outcomes, and the prescriptive nature of the current bill guarantees they'll never be explored. It also likely will preclude some prospective applicants from participating.

The bill places too much emphasis on mitigating the short-term financial risks incurred by the pipeline builder and too little to address the much longer-term and greater risks of gas shippers. As more than one pipeline company has testified during the legislative process, "no producers, no project." The bill offers shippers little more than a non-binding "trust me" commitment for fiscal stability lasting a fraction of the project life, and does nothing to fix gas severance tax rates that even the administration admits are too high (22.5%).

The \$500 million incentive is unnecessary and imprudent. The legislature's decision to make it a bid variable rather than a bid requirement was a step in the right direction. With one exception, companies that have testified have said the handout isn't needed, and we don't believe it's the best use of state funds, either. We're concerned about any provision that turns pretenders into contenders for a state license, and we're skeptical about placing Alaska's future into the hands of an entity that requires a \$500 million contribution in order to pursue a \$30 billion project. Applicants that need to be "bought" with the \$500 million may not be worth acquiring.

ALASKA SUPPORT INDUSTRY ALLIANCE

The process promotes a monopoly, and the state has an abysmal record of picking "winners." Alpetco. Healy clean coal. Delta barley. Alaska Seafood International. Alaska's history is strewn with the remnants of projects for which the state picked "winners," and the gas line legislation is based on the same dubious premise. The state should be doing whatever it can to promote any viable gas project, but the Alaska Gasline Inducement Act virtually guarantees that the licensee picked by a pair of commissioners will be the only game in town. Provisions like treble damages for granting streamlined permitting, state-funded training and the services of a pipeline coordinator to a competing project need to be amended to eliminate "exclusivity."

Existing shippers should not be forced to subsidize expansion shippers by sharing the cost of pipeline expansions. The bill attempts to pre-empt the authority of the Federal Energy Regulatory Commission (FERC) to administer access, expansion and tariff issues by dictating rolled-in tariff rates for expansions that would increase rates as much as 15%. Let FERC do its job. If the state believes an expansion is in Alaska's best interest and is eager to contribute public funds to the project without securing equity, it could underwrite pipeline expansions in order to maintain tariff rates. There may be instances - for example, gas production from federal OCS acreage - when rolled-in rates aren't in the state's interest, either.

The bill needs clear and objective criteria for evaluating applications. This is fundamental to having an "open and transparent process." Recent legislative amendments dictating that proposals be judged on the basis of net present value to the state and the applicant's ability to deliver on its promises enhanced the bill, and further specificity is needed.

Safeguards against construction cost overruns for the state and shippers are inadequate. Both the state and shippers need to be involved in and have oversight of a project execution plan that provides the greatest netbacks at the wellhead. A third-party pipeline builder with no production interests will have no incentive to reduce costs and no ability to "guarantee" the tariff in advance.

The Alaska Gasline Inducement Act may be our last and best chance to make a North Slope gas project a reality, but only if it's fixed before it's passed. In order to succeed, the bill must acknowledge the interests of Alaskans, of the developer and transporter and of North Slope producers and shippers.

April 19, 2007

Backbone II
P.O. Box 101700, Anchorage, AK 99510-1700

Comments on the AGIA legislative hearings
and two suggested amendments

April 16, 2007

Senator HUGGINS Fax (907) 435 3265

Dear Senator:

We have been watching the hearings on AGIA closely, and we offer the following thoughts:

First, thank you for the attention you are giving this important matter and the questions you are asking to bring out the true interests of the participants.

It has been fascinating to see the producers answer your questions in an open and transparent process. What we hear them saying is that they are against exclusivity because a licensee will be picked based on specific criteria important to Alaska.

This is the height of hypocrisy, since they strongly supported the exclusivity granted them by the previous administration. Although they are trying to dress it up a little, they are clearly arguing to return to the exclusive arrangement they had under the Stranded Gas Act. That would be a disaster for Alaska.

The producers are also saying that they must have fiscal certainty for 35 to 45 years on oil and gas, or they will not commit their gas to the project. We think that would be highway robbery, and it is also almost certainly unconstitutional. Even Pedro Van Meurs said, "You don't have to be a 'banana republic' to get a gasline project."

Although the producers keep saying that they are the only ones who can build an Alaskan gasline, that is patently untrue. You have already heard testimony from several credible applicants that they can build this project using the federal loan guarantees. All they lack is access to a gas supply. The producers have stated that they can and will sell their gas to a third party, and we think that is a clear path to the best gasline project.

We also question whether allowing the producers to own the gasline is a good idea. Look at the current situation with the trans-Alaska oil line, where the RCA

and the State Superior Court have found the producers overcharging on their tariff by 59%. The federal government also recognized this problem, and in the initial Natural Gas Transportation Act, the producers were prohibited from owning the gasline. However they convinced President Reagan to overturn this requirement.

The bottom line is that Alaska has options, and we support the process laid out in AGIA which will allow competition for providing the maximum benefits to Alaska.

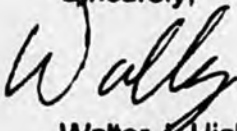
We suggest two amendments that will strengthen AGIA:

1. An evaluation criterion should be added that gives credit to an applicant that has made arrangements for providing gas liquids for value-added processing in Alaska. To have a pipeline without in-state value-added processing and the jobs it will provide would be a major blunder.
2. The state should assess a reserves tax on a North Slope leaseholder that holds existing gas reserves and refuses to make firm transportation commitments or sell the gas it controls to the AGIA licensee.

This latter provision would help guarantee a successful Open Season and a gasline built on an expedited basis.

Thank you for considering our thoughts, and keep up the good work.

Sincerely,



Walter J. Hickel
Co-Chair



David Gottstein
Co-Chair

Backbone II is a non-partisan citizen organization that advocates on behalf of Alaskans on oil and gas development issues. We offer our ideas based on their merits and years of involvement in Alaska public policy issues.

Alaska State Public Opinion Message System:

Sen Charlie Huggins's office

Filter applied is: Constituent

Messages About all

There are 3 Constituent messages about this subject

[Save all messages about all](#)
[Delete all messages about all](#)

Sort messages by: <District> or Date or Last Name or Subject

Messages

Constituent/Non-Constituent Saved/ Not Saved
Thomas Cappiello of Anchorage (16) wrote the following message On 1/20/2007 at 20:02 about *Oil & Gas*

Message:

I am concerned about natural gas supplies in South-central Alaska. Everything in my house depends on natural gas. North Slope gas will not be available before Cook Inlet supply is insufficient. You should take this issue seriously. Exporting gas is not a good idea, we need it here.

Message was delivered by Pom

[View Case](#) [Delete case](#)

Contact Info:

Thomas Cappiello
3705 Arctic Blvd Pmb 2081
Anchorage AK, 99503-5774
Work:907-267-2395
Home:907-746-2039
Email:muchohucho@yahoo.com

Palmer constituent - Dist. 16

Constituent/Non-Constituent Saved/ Not Saved
Andrew Drabek Jr of Palmer (16) wrote the following message On 1/22/2007 at 11:48 about *Fish & Game (fish)*

Message:

I am opposed to allowing a foreign government to restrict my access to Alaska resources as provided by the constitution of the State of Alaska. Commercial fisherman throw back more fish than sport fisherman are allowed to take. 85% catch of halibut is too much for commercial fisherman.

Case currently assigned to: Sharon Long

Message was delivered by Pom

[View Case](#) [Delete case](#)

Contact Info:

Andrew Drabek Jr
Po Box 2828
Palmer AK, 99645

Art Drabek - 746-4955 (only one listed)

Constituent/Non-Constituent Saved/ Not Saved
Andrew Drabek Jr of Palmer (16) wrote the following message On 1/22/2007 at 12:04 about *Miscellaneous*

Message:

I oppose giving free medical and educational benefits to criminal illegal aliens in Alaska. I would like to see a law that punishes people who aid and abet criminal illegal aliens in Alaska.

Message was delivered by Pom



UNITED ASSOCIATION
of Journeymen and Apprentices of the
Plumbing and Pipe Fitting Industry of
the United States and Canada

Founded 1889

Letters should
be confined to
one subject

UA Local Union:

Subject:

William P. Hirt
General President

Patrick R. Patis
General Secretary-Treasurer

Stephen F. Kelly
Assistant General President

Senator Charlie Huggins, Vice-Chairman
Alaska State Legislature
State Capitol (MS 3100)
Juneau, Alaska 99801-1182

April 26, 2007

Dear Senator Huggins,

My name is Jim Laiti. I'm a lifelong resident of Alaska and represent approximately 500 members of Plumbers and Pipefitters Local 375. I'm writing in support of including a Project Labor Agreement requirement in the AGIA Legislation. In order to maximize Alaskans opportunities to be a part of a gasline project the assurance from a PLA is critical.

If I can provide any information please call (907) 479-6221.

Thank you,

Jim Laiti

Sharon Long

From: Jeff Turner
Sent: Wednesday, May 09, 2007 4:20 PM
Subject: FW: Press Release: Governor Palin Recognizes and Thanks Alaska Communities for AGIA Resolutions
Attachments: PR 07-113 Governor Palin Recognizes and Thanks Alaska Communities for AGIA Resolutions 050907.doc



FOR IMMEDIATE RELEASE

07-113

**Governor Palin Recognizes and Thanks
 Alaska Communities for AGIA Resolutions**

May 9, 2007, Juneau, Alaska – Governor Sarah Palin today thanks Palmer, Wasilla, the Matanuska-Susitna Borough, and Fairbanks for their resolutions in support of the Alaska Gasline Inducement Act (AGIA).

"With less than one week to go in the legislative session, I sincerely appreciate our communities across the state going out of their way to express support for AGIA," said Governor Sarah Palin. "This legislation is so important for our state's future and I look forward to the next stage of bringing Alaska's gas to market."

On Monday, May 7, 2007, the Fairbanks City Council unanimously approved Resolution No. 4276. Mayor Steve Thompson introduced the resolution supporting passage of the Alaska Gasline Inducement Act to encourage the expedited development of Alaska's natural gas resources.

The next evening, May 8, 2007, the ~~Palmer City Council~~ approved Resolution No. 07-006 supporting passage of AGIA and encouraging the 25th Legislature of Alaska to finalize passage of AGIA prior to the conclusion of the current legislative session. Mayor John Combs introduced the resolution.

Also on Tuesday, May 8, 2007, the ~~Matanuska-Susitna Borough Assembly~~ approved Resolution Serial No. 07-055, sponsored by Mayor Curt Menard and Assembly Member Cindy Bettine. The resolution also states its support for passage of AGIA and urges the Legislature to complete passage by the end of the current legislative session.

These three resolutions follow the ~~Wasilla City Council's Resolution~~ Serial No. 07-14 supporting passage of AGIA. City Council Member Greg Koskela sponsored the resolution which passed unanimously on April 23, 2007.

###

attached

attached

attached

Support Gov's bill pass by end of this session

Introduced by: Mayor Combs
Date: May 8, 2007
Action: Adopted
Vote: 6-1

Yes:	No:
Erbey	Pippel
Vanover	
Wood	
Best	
Hanson	
Combs	

CITY OF PALMER, ALASKA

RESOLUTION NO. 07-006

A RESOLUTION OF THE PALMER CITY COUNCIL SUPPORTING PASSAGE OF THE ALASKA GASLINE INDUCEMENT ACT (AGIA), PROVIDING A MEANS FOR THE TIMELY DEVELOPMENT OF NATURAL GAS RESOURCES FOR THE STATE OF ALASKA

WHEREAS, Alaska's principal financial wealth is generated by the natural resources found throughout the State of Alaska; and

WHEREAS, to continue further development of these natural resources it is crucial to bring Alaska's natural gas to viable markets; and

WHEREAS, a means of delivering Alaska's natural gas to market is not only vital to the economic, energy, and security needs of Alaska, but also the economic, energy, and security needs of the United States of America; and

WHEREAS, The Alaska Gasline Inducement Act (AGIA) introduced by Governor Palin provides the necessary and timely format for the creation of a natural gas pipeline needed to achieve the task of getting Alaska's natural gas to market; and

WHEREAS, AGIA provides for an open and competitive environment to any company who has an interest in getting Alaska's natural gas to market; thereby maximizing the benefits of a natural gas pipeline for the citizens of Alaska.

NOW THEREFORE LET IT BE RESOLVED that the City of Palmer supports the passage of the Alaska Gasline Inducement Act introduced by Governor Palin and encourages the 25th Legislature of Alaska to finalize passage of AGIA prior to the conclusion of the current Legislative session.

Passed and approved this _____ day of _____, 2007.

John C. Combs, Mayor

Janette M. Bower, CMC, City Clerk

Sponsored by: Mayor Menard and C. Bettine
Action:

**MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 07-055**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY SUPPORTING
PASSAGE OF THE ALASKA GASLINE INDUCEMENT ACT (AGIA).

WHEREAS, Alaska's great wealth is embodied in the natural resources of the State; and

WHEREAS, in a time of declining oil production it is appropriate to further develop Alaska's natural gas resources; and

WHEREAS, a timely process of getting Alaska's natural gas to market, is not only vital to the economy and the energy needs of Alaska, but to the economy and the energy needs of the United States; and

WHEREAS, a natural gas pipeline is needed to achieve the task of getting Alaska's natural gas to any market; and

WHEREAS, the Alaska Gasline Inducement Act (AGIA) introduced by Governor Palin provides the necessary elements to achieve the timely development of a natural gas pipeline; and

WHEREAS, AGIA provides for a level playing field with transparent and open competition for all those that have an interest in getting natural gas to market; and

WHEREAS, AGIA leverages Alaska's interests in such a way, as to maximize the benefits of a natural gas pipeline for the people of Alaska.

NOW, THEREFORE, BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly supports the timely development of Alaska's

natural gas resources; and

BE IT FURTHER RESOLVED, that the Matanuska-Susitna Borough Assembly supports passage of the Alaska Gasline Inducement Act (AGIA) and urges the 25th Legislature of Alaska to complete passage of AGIA by the end of the current legislative session.

ADOPTED by the Matanuska-Susitna Borough Assembly this - day of -, 2007.

CURTIS D. MENARD, Borough Mayor

ATTEST:

MICHELLE M. MCGEHEE, CMC, Borough Clerk

(SEAL)

Requested by: Council Member Greg Koskela

Meeting Date: April 23, 2007

Adopted: April 23, 2007

Vote: Cox, Ewing, Holler, Koskela, Menard, and Motiva in favor

**CITY OF WASILLA
RESOLUTION SERIAL NO. 07-14**

**A RESOLUTION OF THE WASILLA CITY COUNCIL SUPPORTING PASSAGE OF
THE ALASKA GASLINE INDUCEMENT ACT (AGIA) IN ORDER TO PROVIDE A
MEANS FOR THE TIMELY DEVELOPMENT OF ALASKA'S NATURAL GAS
RESOURCES.**

WHEREAS, Alaska's great wealth is generated by the natural resources of regions, communities and cities throughout the State; and

WHEREAS, in a time of declining oil production, it is necessary and vital to further develop Alaska's Natural Gas resources; and

WHEREAS, a timely process of getting Alaska's' natural gas to market, is not only vital to the economy and the energy needs of Alaska, but to the economy and the energy needs of the entire United States; and

WHEREAS, a natural gas pipeline is needed to achieve the task of getting Alaska's natural gas to any market; and

WHEREAS, the Alaska Gasline Inducement Act (AGIA) introduced by Governor Palin provides the necessary elements to achieve the timely development of a natural gas pipeline; and

WHEREAS, AGIA provides for a level playing field with transparent and open competition for all those that have an interest in getting natural gas to market; and

WHEREAS, AGIA leverages Alaska's interests in such a way, to maximize the benefits of a natural gas pipeline for the people of Alaska.

NOW THEREFORE BE IT RESOLVED to promote the timely development of Alaska's natural gas resources, the City of Wasilla supports the passage of the Alaska Gasline Inducement Act (AGIA) introduced by Governor Palin, and urges The 25th Legislature of Alaska, to complete passage of AGIA by the end of the current legislative session.

BE IT FURTHER RESOLOVED that this resolution shall be forwarded to Governor Palin, Lieutenant Governor Parnell, and all the members of the 25th Legislature of Alaska

ADOPTED by the Wasilla City Council on April 23, 2007.



DIANNE M. KELLER, Mayor

ATTEST:



KRISTIE SMITHERS, MMC
City Clerk

[SEAL]

Paul L. Craig, Ph.D.
American Board of Professional Psychology
Board Certified in Clinical Neuropsychology
pcraig@apcl.net

4048 Laurel Street, Suite 201
Anchorage, AK 99508

Phone (907) 274-8200
Fax (907) 274-8211

May 8, 2007

To: Senator Charlie Huggins

From: Dr. Paul Craig

Re: AGIA and rolled-in rates

Via Fax

On behalf of my fellow Alaskans, all of whom are interested in the economic well-being of Alaska, please support AGIA as proposed by Governor Palin. Please do not alter the terms of AGIA. Leave the provisions for:

Mandatory Gasline Expansion;

and

Rolled-in Rates

in the bill as proposed by Governor Palin.

Thank you for supporting AGIA and all of its terms as submitted by Governor Palin – the governor who was elected by a landslide in 2006 given her fresh, fair, and competitive approach to dealing with construction of a gasline as well as the future needs and economic well-being of Alaska.

I am aware that the big producers would like to go back to the Murkowski proposal, for which VECO lobbied, which would have given three companies an exclusive 45-year oligopoly allowing them to control North Slope gas production – essentially forever. But the voters spoke when Governor Palin was elected. Let's support her proposal, which will be good for one and all including the three large producers even though it won't provide them with the monopoly they were hoping for last year.

Thank you for supporting AGIA with rolled-in rates.

Jody Simpson

From: Blythe Campbell [blythe@alaska.com]
Sent: Monday, May 07, 2007 4:21 PM
To: Sen. Charlie Huggins; Sen. Joe Thomas; Sen. Fred Dyson; Rep. Kevin Meyer; Sen. Lyman Hoffman; Rep. Mike Hawker; Rep. Richard Foster; Rep. Harry Crawford; Rep. Bill Thomas; Rep. Mary Nelson; Sen. Kim Elton; Rep. Les Gara; Sen. Bert Stedman; Sen. Donny Olson; Rep. Mike Chenault; Rep. Ralph Samuels; Rep. Mike Kelly; Rep. Bill Stoltze; Rep. Reggie Joule
Subject: Don't Let Warren Buffet Leverage Alaska
Follow Up Flag: Follow up
Flag Status: Green
Attachments: Leverage.doc



Leverage.doc (25
KB)

Ladies and Gentlemen:

I've attached a letter regarding my concerns about AGIA's bias toward MidAmerican, and the serious negative consequences to the State of Alaska should MidAmerican be selected as the "winner" of Alaska's pipeline license.

I am a third-generation Alaskan with three children. I do not work for an oil producer, explorer, or oilfield service company. After 25 years working in marketing jobs in Alaska, I am finally self-employed and in a position to state my personal positions.

I've done many hours of personal research on FERC regulation and MidAmerican's utility acquisitions and operations, which I would be happy to share with you.

Blythe Campbell

Blythe Campbell
PO Box 112387
Anchorage, Alaska 99511
(907) 345-1066

May 7, 2007

House and Senate Finance Committee Members

Ladies and Gentlemen:

I watched Pat Galvin testify before the House Resources committee on April 27. He said the State needs third-party pipeline companies to bid on the pipeline to "leverage the producers." Otherwise, he says, the producers will leverage us.

But Galvin said Trans-American doesn't like the way AGIA forces them to certification and Enbridge won't bid unless the producers are involved. That leaves MidAmerican, the utility holding company owned by Warren Buffet.

Warren Buffet is a very smart man, and he's figured out how to make money with regulated utilities, where, in his words, he can "deploy large sums of capital at a fair return". He and his staff were instrumental in lobbying Congress to repeal the 1934 Public Utility Holding Company Act (PUHCA) so Berkshire Hathaway could directly own public utilities - low risk, high return businesses.

I believe that a pipeline constructed and operated by MidAmerican will not provide the lowest possible transportation cost for Alaska's gas. Further, AGIA's debt/equity provision has the opposite effect than intended when you look at how MidAmerican finances its operations.

Not only will MidAmerican earn a regulated rate of return on the total costs of building and operating the pipeline, giving them very little incentive to control costs, those pipeline costs include interest payments to Berkshire Hathaway that are well above market rates for debt financing.

Based on FERC guidelines, the rate of return is a function of three components - the capitalization rate of the pipeline, the cost of debt, and the allowed rate of return on the pipeline company's equity.

FERC generally allows companies to include the actual cost of debt, and allows a return on equity (ROE) based on a fairly complicated formula that in the past 30 years has resulted in an ROE between 12% and 14%.

Members of the House and Senate Finance Committees

May 3, 2007

Page 2

The general wisdom, and the reason for AGIA's debt/equity requirement, is that equity financing is more expensive than debt financing. Having a high debt ratio should lead to a lower tariff. The way MidAmerican operates, however, the opposite is true.

Warren Buffet has \$50 billion in "float" – insurance premiums that have been paid in but due to good luck and good management, have not had to be paid out. This money costs the company nothing, and is used to acquire companies and to loan money to the company's subsidiaries.

MidAmerican has borrowed \$1.5 billion from Berkshire Hathaway, in the form of "trust preferred securities" that carry a current interest rate of 11.5%. You can assume that Berkshire Hathaway will loan MidAmerican the \$30 billion to construct the pipeline at that, or a higher rate, to compensate Berkshire Hathaway for the project's risks. Since these interest costs will be included in the rate base that determines the tariff, a higher debt ratio does not benefit the State; but it does benefit Berkshire Hathaway.

Now, Warren Buffet and MidAmerican are not bad guys. They are in business to make money. But if we design legislation to favor them, thinking we're clever enough to leverage the producers, we may find ourselves leveraged up to our necks by them or another third-party pipeline company.

That's why AGIA, and other legislation that attempts to put its arms around the very complex world of natural gas economics, and corporate high finance, is doomed to fail. We've got well-meaning bureaucrats with well-meaning staff but we don't pay enough to attract state employees who are as smart as Warren Buffet.

It's time to let the market figure out how to build a gas pipeline, and get out of their way. If the producers, or a third-party pipeline builder, need something from the State of Alaska to make it work, let's ask what that is and figure out if we're willing to provide it.

I strongly believe that, rather than leverage the producers, AGIA as currently written neatly leverages the State of Alaska.

Sincerely,

Members of the House and Senate Finance Committees

May 3, 2007

Page 3

Blythe Campbell

To the Chair,

Members of the committee, thank you for this opportunity to testify on the Alaska Gasline Inducement Act. Alaska's natural gas has the potential to secure our economic future and I applaud the Governors' efforts to cause a pipeline to be constructed.

A project like this comes along once in a generation. We have one chance to get it right. We can and should do a better job than we did on TAPS. I listened to legislative council Don Bullock testify yesterday and agree with his comments counseling you to include everything the state needs from this project, in the bill.

So what do we need? As Representative Samuels says the tariff the tariff the tariff. We need a low tariff to ensure that the state receives fair compensation for its resource and that independent companies can afford to ship their gas in the pipeline. How do we get a low tariff? One way that is not addressed, to the extent possible is to ensure a steady, productive, and predictable cost and supply of labor. By including the requirement for a negotiated Project Labor Agreement in the bill we can ensure labor stability through a no strike no lockout provision. We can be sure of a competent workforce that has been trained in standardized programs that include both classroom and extensive on the job training. The cost of labor will be known because the wages and benefits can be agreed to prior to the start of work and the use of in state hiring halls will give Alaskans the best opportunity to get the jobs associated with the gasline.

I urge members of the committee to include the requirement for a licensee to commit to negotiate a Project Labor Agreement for construction of the pipeline and all related infrastructure. Again thank you for the opportunity.

John Brown
Operating Engineers
Local 302

JSRES/HOIL
Committee
3/21/07

Written Testimony
Submitted @
Fairbanks LIO



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the Senate Resources / House OIG
 Committee on SB 104 / HB 177 Dated _____
Committee Name
Bill / Subject

Honorable Senators and Representatives,

Please amend AGIA to include language on project labor agreement provisions in the AGIA application requirements.

I am a proud UNION employee and I support project labor agreements and local hire. Give Alaska residents certainty in Alaska hire and give the gas line certainty in its labor supply. We will be trained and ready

to go.
 SIGNED: Marta Mueller Mark Mueller

Testifier

ASEA / AFSCME Local 52

Representing

516 Auklet Place Fairbanks AK 99709
 Address / Phone Number



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the 3-21-07 HB 177
 Committee on HB 177 Committee Name Dated 3-21-07
Bill / Subject

HB 177

P.00 Ak always finds itself w/ incomplete info
 and not enough time to act. ex. Wildlife.

I hope that you folks bury your partisanship
 and do something for Alaskans - this IS
 our future. I don't care how cute the governor
 is - if she repeats what the republicans
 did last administration - she's as ugly
 and ignorant as Frank...

Lets do this - above table, in the open, w/out
 special interest influence and lets try some
 common sense.

SIGNED:



 Testifier Jerry Siple Jr

ASEA GGU

 Representing

675 7th Ave Ste A. FBKs AK 99701

 Address / Phone Number



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the Senate resources
 Committee on HB177 Committee Name
 Dated 21 MARCH 2006

I have lived in Alaska for 23 years. I am concerned about HB177 not containing any provisions for a project labor agreement protecting first rights to hire for Alaskan's. I want to secure a Gas line for Alaska built by Alaskan's. I am an Electrical Instructor for the IBEW 1547, responsible for training & educating wireman apprentices to fill future electrical journeyman requirements. The wealth of information received by electrical apprentices ensures a competitive edge for the future growth & industrial development of Alaska. Please protect our future by protecting & securing Alaskan Jobs. Thank you.

SIGNED: James Dwyer
 Testifier
IBEW 1547
 Representing
1333 Denali St Anchorage AK 99509
 Address / Phone Number (907) 479-4449



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the S. RESOURCES OIL AND GAS
 Committee on HB177 Dated 3/21/09
 Bill / Subject

I SUPPORT A PROJECT LABOR AGREEMENT. I ASK THAT
 THIS COMMITTEE MEMBERS BRING LEGISLATION FORWARD
 AND MAKE THIS PART OF ANY CONTRACT AGREEMENT.

THANK YOU.

SIGNED:

CARY JOHNSON
 Testifier

IBEW 1547
 Representing

Box 8167 FBKS AK 99708
 Address / Phone Number



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the oil and gas
Committee Name
 Committee on HB 177 Dated _____
Bill / Subject

This bill is flawed and incomplete until it contains an agreement that defines hiring and wages. Alaska demands local hire for union jobs at union wages!

SIGNED:

Derek Hendrickson
 Testifier Derek Hendrickson

Myself
 Representing

2008 Jack St. Fairbanks 374-7886
 Address / Phone Number



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the _____

Committee on SB 177 Committee Name

Bill / Subject

Dated 3/21/07

I support a project labor agreement
and local Hire

SIGNED:

Adam Petrillo
Testifier

IBEW / NECA
Representing

3029 Tongass Blvd Juneau A.K. 99801
Address / Phone Number



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the SENATE RESOURCES
 Committee on 177 Committee Name
 Dated 3-27-07
Bill / Subject

I KNOW THAT GETTING THE GAS LINE GOING AND
 HAVING A P.L.A. IS THE ONLY WAY TO GO FOR THE
 STATE OF ALASKA AND ITS WORKERS. MY FAMILY HAS BEEN
 IN ALASKA FOR SIX GENERATIONS ALL LABOR RELATED
 UNION MEMBERS.

SIGNED: BRIAN CARLTON IBEW 1547
 Testifier
IBEW 1547
 Representing
1333 DENALI SE ANCHORAGE AK
 Address / Phone Number
1-888-563-1547



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the Senate requires
Committee on HB177 Committee Name
Dated 3-21-07
Bill / Subject

I support a PLA agreement

SIGNED:

Ree Kissinger

Testifier

IBEW

Representing

Address / Phone Number



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the Oil and gas

Committee on HB177 Committee Name Dated 3-21-07

Bill / Subject
I support a project labor agreement to
Promote Alaskan Hire!

SIGNED:

Clint F Brooks
Testifier

IBEW / NECA
Representing

1225 Molly Rd Fairbanks AK 99709 455-4492
Address / Phone Number



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the Oil and gas
 Committee on H 3 B 177 Committee Name
Bill / Subject Dated 3/2/07

IBEW supports a project
 Labor agreement

SIGNED:

Alan Rock
 Testifier

IBEW / NECA
 Representing

1431 Sanning Dr. Fairbanks 99712
 Address / Phone Number



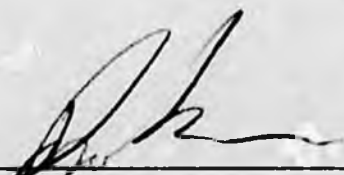
ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the State Resources

Committee on HB 177 Committee Name
Bill / Subject Dated MARCH 21 - 07

I support PLA and AGLA agreement

SIGNED:

 BOGDAN Lukinov
Testifier

IBEW 1547
Representing

2915 WILSON ST APT H 4 479-1981
Address / Phone Number



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the Senate Resources
 Committee on PLA Committee Name Dated 3/21/07
Bill / Subject

This Gasline and all of the components that go along with it cannot be constructed without a Project Labor Agreement in the Gas Pipeline Agreement. This topic is extremely important to me and the rest of the Alaskans I represent. Thank you for your time.

Joel Burger

SIGNED: *Joel Burger* Joel Burger
Testifier
IBEW Local 1547 / other ALASKAN workers
Representing
168 Carlyle Way 978-4584
Address / Phone Number



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the S. Legislative Oil and Gas
Committee on HB 177 Committee Name
Dated _____
Bill / Subject

I support having a project labor agreement included in the AGIA

SIGNED:

[Signature]

Testifier

IBEW

Representing

1535 Birchwood Way Fairbanks

Address / Phone Number



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the Senate Resources
 Committee on PFA HB-177 Committee Name Dated 3-20-07
Bill / Subject

The PFA, is needed to keep TAXIFFS costs down, have control & productivity & to have the best method of getting ALASKANS to work.

Leon F. Tomasi
 4785 Amherst Dr

SIGNED:

Leon F. Tomasi

Testifier

T.O.C.E. - 307

Representing

4785 Amherst Dr, FBKS, AK, 99709
 Address / Phone Number



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the Oil and Gas /
Committee on Gas Line Projects. Committee Name Dated March 4, 2007
Bill / Subject
ATTN: Paul Seaman.

It is imperative that when
construction of the Gas line begins
that local hire is used and
the most effective means is
to have local Union representation.

SIGNED:

Nolly Kennedy
Testifier

LABORERS # 942
Representing

P.O. Box 890 Anchorage, Alaska 99556
Address / Phone Number

Bill History/Action Display



BILL: HB 177

SHORT TITLE: NATURAL GAS PIPELINE PROJECT

BILL VERSION:

CURRENT STATUS: (H) O&G

STATUS DATE: 03/05/07

THEN RES. FIN

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

HEARING: (H) O&G Mar 21 5:30 PM SENATE FINANCE 532 -- Public Testimony -- -- New Time & Location Change -- TELECONFERENCE

HEARING: (H) O&G Mar 22 3:00 PM BARNES 124 TELECONFERENCE

HEARING: (H) O&G Mar 23 8:30 AM CAPITOL 106 -- Please Note Time & Location Change -- TELECONFERENCE

HEARING: (H) O&G Mar 24 1:00 PM SENATE FINANCE 532 -- Public Testimony -- -- Please Note Time & Location Change -- TELECONFERENCE

HEARING: (H) O&G Mar 26 8:30 AM CAPITOL 106 -- Plase Note Time & Location Change -- TELECONFERENCE

HEARING: (H) O&G Mar 27 3:00 PM BARNES 124 TELECONFERENCE

HEARING: (H) O&G Mar 28 8:30 AM CAPITOL 106 -- Please Note Time & Location Change -- TELECONFERENCE

HEARING: (H) O&G Mar 29 3:00 PM BARNES 124 TELECONFERENCE

HEARING: (H) O&G Mar 30 8:30 AM CAPITOL 106 -- Please Note Time & Location Change -- TELECONFERENCE

TITLE: "An Act relating to the Alaska Gasline Inducement Act; establishing the Alaska Gasline Inducement Act matching contribution fund; providing for an Alaska Gasline Inducement Act coordinator; making conforming amendments; and providing for an effective date."

Bill Root:

Committee Action with Bill History

Jrn-Date	Jrn-Page	Action
03/05/07	0384	(H) READ THE FIRST TIME - REFERRALS
03/05/07	0384	(H) O&G, RES, FIN
03/05/07	0384	(H) FN1: ZERO(ADM)
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FAX Transmittal

ALASKA ~~DEPARTMENT OF LABOR~~
~~INDUSTRIAL DEVELOPMENT~~

Employment Security Division

SARAH PALIN, GOVERNOR

To: *John Higgins*
Fax No.: *465-3265*

Date: *5-1-07*

From: *Paul D. Kendall*

Phone No. of Sender:
Subject: *222-7882*

Page 1

of *Paul D. Kendall*

AGIA

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*Witlochowski & OTHER CHAIRMAN
of AGIA - RENEWABLES - ALUMINUM
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Paul D. Kendall

5-1-07

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Our Future is Hydrogen.

Earth hope by providing

and dwindling fossil fuels. Its purpose is to provide broader awareness to this remarkable energy carrier. Both the automobile and of industries have realized that hydrogen will be the energy of the future. beliefs held by many politicians and world governments. These industries will be major players in our hydrogen economy.

Describing the planet's need for an alternative energy source, *Our Future is Hydrogen!* shows why hydrogen is the best of the alternatives. The reader will appreciate hydrogen's value by learning of its properties, history, safety, applications, and current status. The transition to a hydrogen economy has just begun, accelerated by California's zero-emission requirements in 2003.

"*Our Future is Hydrogen!* is an excellent book well arranged and well written. There are some hydrogen energy-related books on the market, but I think this will be one of the best, especially as far as the lay person is concerned."

T. Nejat Veziroglu, Ph.D., University of Miami
President, International Association for Hydrogen Energy

Dr. Robert Siblerud is an author and environmental physiologist. He has helped coordinate a number of new energy conferences searching for answers to our environmental dilemma.



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Our Future is Hydrogen!

Our Future is Hydrogen!

ENERGY, ENVIRONMENT,
AND ECONOMY

ROBERT SIBLERUD

hydrides, in which hydrogen adheres to the surfaces and crevices in finely shaved metal. Once heated, the metal releases the hydrogen that is converted into energy.

Distribution of hydrogen to the consumer can occur through the existing fossil fuel infrastructure. Hydrogen produced at natural gas facilities can use the existing pipelines that supply natural gas to customers around the country. Trucks can transport liquid hydrogen and compressed hydrogen to refueling stations, similar to today's gasoline distribution system.

The one great advantage of hydrogen is that it can be produced on-site, an occurrence that will come about more frequently during the transition period. Communities, industries, and private individuals will have the option of producing their own hydrogen with renewable means. The existing infrastructure is in place to begin the transition to a hydrogen economy.

HYDROGEN PRODUCTION

Steam Reformation

Steam reformation is the most widely used technique for hydrogen production today, being the most efficient and economical. It basically involves converting hydrocarbons (such as natural gas) and steam to hydrogen, carbon dioxide, and carbon monoxide. The four-step process involves the following:

1. purification of the feedstock to remove sulfur; and carbon oxides;
2. steam reforming of the hydrocarbon to form hydrogen and carbon oxides;
3. converting carbon monoxide to carbon dioxide; and
4. final purification to remove carbon dioxide, carbon monoxide, and remaining hydrocarbons.

Only light hydrocarbons, which can completely vaporize without leaving a carbon residue, are used. Carbon residues can hinder the catalysts in the steam reforming process. Natural gas is the preferred feedstock for hydrogen production. Other feedstocks include naphtha, and Number 2 fuel oil. Natural gas is easy to handle, has the highest hydrogen to carbon ratio (4:1), and generally has low levels of sulfur contamination. Because

natural gas reacts more easily with water than with other hydrocarbons, lower temperatures can be used for the conversion.

The steam reformation process uses a large amount of energy and high pressure. It requires a temperature from 760 to 925 degrees centigrade, at a pressure twenty times that of atmospheric pressure. Catalysts are used to improve the efficiency of the reaction. They are usually compounds of nickel oxides mixed with oxides of aluminum, calcium, manganese, or other minerals.

Steam reformation is reversible, meaning hydrogen can convert back to methane. To ensure a minimum concentration in the reformed gas, the process usually employs a steam to carbon ratio of 3:5 at processing temperatures of 815 degrees centigrade and pressures up to 35 times atmospheric pressure. This allows for 80 percent of the hydrocarbons to be converted to carbon oxides. Energy intensive, the steam reformation process accounts for a significant amount of the total energy usage. In other words, energy is needed to manufacture hydrogen.

After the reforming process, the gas mixture is fed through a heat recovery step and reacted with excess steam. This converts carbon monoxide to carbon dioxide, reducing the carbon monoxide to less than 1 percent. The remaining carbon monoxide and carbon dioxide can be removed using a methanation reaction, leaving a hydrogen purity of 97 to 98 percent, which is adequate for most uses as a fuel. To reach 99.97 percent purity, a pressure swing adsorption technique is used, passing the raw gas through a series of activated carbon beds.

Partial Oxidation

Partial oxidation is similar to steam reformation in the production of hydrogen. The process involves steam, oxygen, and hydrocarbons that are converted to hydrogen and oxides of carbon. The process of partial oxidation requires additional facilities to separate oxygen from nitrogen in the air and requires separation equipment for the conversion and removal of carbon dioxide. Compared with steam reformation, an additional step is required, where oxygen is used to oxidize hydrocarbons to provide sufficient energy to drive the process and release additional amounts of hydrogen. Feedstocks range from methane to coal.

5-1-07

P. D. Kendall

Paul Kendall

*Paul Howard***Coal Gasification**

In their ninety gasification plants, Texaco has been the leader in developing coal gasification technology. From a single ton of Kentucky Number 9 coal, almost 50,000 cubic feet of hydrogen can be produced. This process is the cleanest commercial method of coal utilization today. Sulfur is removed and transformed in the process; it is then sold as an agricultural chemical. A resultant dry synthetic gas is saturated with water to suppress nitrogen oxide emissions.

Texaco's Cool Water Coal Gasification Program plant is located on 195 acres midway between Los Angeles and Las Vegas, with an adjacent 103 acres used for railroad loops, coal handling, and storage. In this plant, coal is converted to a synthetic gas that has approximately one-third the heating value of natural gas. The synthetic gas is routed into a catalytic water solution for a reaction. An oxygen atom is removed from a water (steam) molecule and added to a carbon monoxide molecule to make carbon dioxide. Therefore, each carbon monoxide molecule becomes a carbon dioxide molecule, and each water molecule becomes a hydrogen molecule. This leaves a mixture of hydrogen and carbon dioxide that is routed to an acid-gas removal section where the carbon dioxide is removed. The resulting gas stream is primarily hydrogen. The clean synthetic gas is fired in a combustion turbine, and the resultant heat produces steam. This steam drives a turbine. The net electricity produced from this plant is equivalent to about 4,300 barrels of oil per day, producing 117 megawatts and serving the energy needs of 100,000 households. This product is equivalent to the 70 million cubic feet per day of hydrogen produced by a 1000-ton-a-day coal plant.

Texaco's cool water program has received worldwide recognition. Emissions of sulfur oxides, nitrogen oxides, and particulates average about 10 percent of the maximum levels permitted by the EPA for new coal fuel electric generating plants. Texaco believes coal gasification is the preferred option for hydrogen production plants on a long term basis. The Japanese Ube Ammonia Industry Company uses Texaco's gasification system to convert 1,650 tons of coal per day into hydrogen for the manufacture of 1,000 tons of ammonia per day.

Steam-Iron Process

The steam-iron process was commonly used to produce industrial hydrogen before the inexpensive natural gas steam reformation process was developed. This technology involves steam being reacted with hot iron to produce gas at a temperature ranging from 815 to 870 degrees centigrade. The first step involves coal gasification that uses steam and regular air, producing a mixture mostly of carbon monoxide and hydrogen. The mixture is introduced into a second chamber with iron, producing iron oxide (FeO). The third step involves the transfer of the hot iron to a steam-iron reactor. The iron oxidizes in the presence of steam to produce an iron oxide (Fe₃O₄) and a hydrogen-rich gas. The gas mixture is purified by condensing out the steam and running the remaining gas through a methanation reaction, resulting in 97 percent pure hydrogen gas. This process requires a great amount of power.

Water Electrolysis

To produce hydrogen electrolytically requires only pure water and electrical energy. In an ideal world, nonpolluting renewable resources such as solar thermal energy, photovoltaics, wind energy, or hydroelectric power would generate the needed electricity. Current renewable techniques are not economically feasible for large-scale hydrogen production. Electric energy from fossil fuels for electrolysis is expensive, with costs three to five times greater than hydrogen production from fossil fuels.

In electrolysis, electricity decomposes water into its constituents, gaseous hydrogen and oxygen. Two electrodes are used in electrolysis, one positive and one negative. They are immersed in a current-conducting electrolyte that may consist of a mixture of water with a salt, acid, or base. The most common electrolytes used are alkaline electrolytes such as potassium hydroxide (KOH). These electrolytes conduct electricity very well and are quite stable, with minor corrosion problems.

The positively charged potassium ion (K⁺) is reduced and reacts with the water to form a hydrogen atom (H) and a hydroxyl atom (OH). The highly reactive hydrogen atoms bind to the metal of the negative cathode. These atoms can combine

with one another to form hydrogen molecules (H_2), which leave the electrode as a gas. At the positive anode, the hydroxyl atoms attach to one another, producing water and oxygen. Two oxygen atoms combine to form an oxygen molecule.

As technology advances, the efficiency of water electrolysis continues to improve. Three promising advanced technologies are under investigation:

1. Advanced water electrolysis involves operating the cells at temperatures greater than 100 degrees centigrade. This improves voltage efficiency, decreasing the amount of energy required to produce hydrogen.
2. Solid polymer electrolysis technology involves a solid rather than a liquid electrolyte. Its compactness and simplicity make it a viable technology for commercial electrolysis. Nafion is the solid polymer used. When saturated with water, the polymer becomes acidic and conducts ions. Nafion is presently very expensive since it requires high amounts of platinum catalyst loading.
3. High temperature electrolysis uses a solid electrolyte that does not corrode. It decreases the need for electrical energy and minimizes over voltage. The materials are costly, and the process requires a high temperature heat source.

Thermal Decomposition

Thermal decomposition (pyrolysis) of natural gas can produce hydrogen. At temperatures above 900 degrees centigrade and pressures up to 150 psi (150 pounds per square inch or 10 atmospheres), methane almost completely decomposes to carbon and hydrogen. Energy required for methane decomposition is less than that required for steam reformation of methane. However, the thermal efficiency for steam reformation is 75 percent higher than for methane decomposition. On the positive side, no carbon dioxide emission occurs in the thermal decomposition of methane by pyrolysis.

A low-cost process for hydrogen production involves thermal decomposition of water vapor at temperatures up to 2,800 degrees centigrade using solar energy and oxygen in high-temperature ceramic membranes. Avoiding conversion of solar energy to electrical energy minimizes the energy required to produce hydrogen.

Biomass Gasification

Technology to produce hydrogen by biomass gasification with steam and oxygen has been progressing. Biomass, such as plant matter, uses solar energy (photosynthesis) as the primary energy source to produce hydrogen, thereby becoming a feedstock. Biomass is defined as all plant and animal material that can be converted into energy. Biomass comes from a variety of sources including residues, wastes, and crops grown for energy use. Plants used for energy production include crop residues, forest residues, standing vegetation, and energy crops. Growing biomass by rapid crop rotation for wood production is one type of energy farm.

Animal waste, mainly from livestock, can be used as an energy source in the form of manure. Municipal solid wastes are also used as a feedstock for hydrogen, with the organic fraction extracted by size reduction and separation processes. Industrial wastes generated by food processing plants such as canneries, breweries, and sugar mills can produce hydrogen. Even the organic fraction of sewage wastewater can be used after it is separated and dried.

Modern technologies can convert biomass into a variety of products including methane, methanol, oils, charcoal, or directly into hydrogen. Through steam reformation or gasification, hydrogen can be extracted from all these hydrocarbons.

In the United States, energy from biomass could supply an estimated equivalent of 7 million barrels of oil per day. Waste resources could supply 40 percent, and energy crops could supply 60 percent, grown on 80 million acres of excess agriculture land. The crops of sugarcane and sorghum on 66.4 million acres that were taken out of U.S. production between 1981 and 1988 could have supplied enough energy to generate 34 percent of the nonnuclear power generated in 1986. In other words, biomass could supply a great amount of hydrogen.

Hydrogen From Bacterial Sources

Hydrogen can be acquired from bacteria. Cyanobacteria have two important hydrogen metabolizing enzymes. Nitrogenase produces hydrogen molecules and hydrogenase consumes them. To

produce hydrogen, Cyanobacteria must be kept in an anaerobic (oxygen-free) environment. Otherwise, they would consume their own hydrogen. They are ideal microorganisms for producing hydrogen because of their ability to perform photosynthetic carbon dioxide fixation, and because they can thrive in a simple inorganic environment.

Photosynthetic bacteria can produce hydrogen from organic acids, alcohols, sugars, and a few sulfur compounds at a high rate for longer periods than can Cyanobacteria.

Anaerobic digestion is used to produce methane gas and other useful residues from a variety of carbonaceous materials. The waste from one set of organisms is the food for another set. Digestion takes place in the presence of anaerobic bacteria. Cellulose and hemi-cellulose are broken down by enzymes to form soluble organic compounds. These compounds are converted to hydrogen, carbon dioxide, and acetate by acid-producing bacteria. Methane is produced by methanogen-producing bacteria from the hydrogen, carbon dioxide, and acetates.

Stirred tanks are the mainstays of most digestion systems. Anaerobic digestion is the preferred process for gasification of high-moisture grains. The resultant gas (mostly methane) has a medium fuel value. Hydrogen can be obtained from the gas through steam reformation, but the additional process is not cost effective at present.

Renewable Sources

Hydrogen is already produced in great quantities today, about 500 billion cubic meters annually. However, only 1 percent is produced from solar, wind, or water. The predominant source (about 50 percent) is natural gas.

A breakthrough has occurred at the National Renewable Energy Laboratory (NREL), headquartered at Golden, Colorado. NREL recently announced the invention of a semiconductor device that converts light into hydrogen that is suitable for a fuel. In one step, light goes in and hydrogen comes out. NREL claims the device has an efficiency twice any previous device that converts light energy to hydrogen. Scientists are curious to examine the technology underlying this remarkable claim.

HYDROGEN STORAGE

Until this time in the hydrogen story, storage has presented a major hindrance in the progression toward a hydrogen economy. Hydrogen has a low energy density, meaning that it requires a considerably greater volume for storage than does gasoline. This translates into larger storage tanks and shorter driving ranges for vehicles. Consumers are used to traveling great distances before refueling their vehicles. Rapidly developing technology promises to extend these driving ranges to make them comparable with those of gasoline vehicles. Three major storage systems exist for hydrogen: compressed hydrogen gas, liquid hydrogen, and metal hydrides.

Compressed Gas

Because of hydrogen's low energy density, a compressed hydrogen gas tank at one time needed to be twenty times larger than a comparable gasoline tank. This figure has been reduced as the compression tank technology has progressed.

The high-pressure vessels used to store hydrogen are typically aluminum cylinders wrapped with carbon fibers in fiberglass. Other designs being researched include aluminum wrapped with Kevlar or graphite, plastic liners wrapped with graphite, and high-strength aluminum cylinders. Both volume and mass are issues for storing hydrogen as a compressed gas. A pressurized hydrogen system at approximately 3,000 psi weighs nearly three times more than a comparable liquid hydrogen system. The volume can be reduced by increasing the pressure of the compressed gas, potentially up to 8,000 psi. For these high-pressure vessels, cost and safety become an issue. Compressing the hydrogen gas to these pressures requires more energy.

At one time, a hydrogen vehicle with a 100-mile range, compared with the range of an electric vehicle, would require two hydrogen tanks weighing about 100 pounds. Such a vehicle would lose about one-half of its trunk space. A hydrogen vehicle with a 200-mile range is also possible, but the trunk space would essentially be eliminated by adding two more tanks. Higher pressure storage vessels have extended the driving ranges.

Pam D. Kessler



National Geo COMPUTER IMAGE BY CHUCK CARTER
11-73
Special Edition: Water *Paul D. Kendall*

The world's water supply

If all earth's water fit in a gallon jug, available fresh water would equal just over a table spoon— less than half of one percent of the total. About 97 percent of the planet's water is seawater; another 2 percent is locked in icecaps and glaciers. Vast reserves of fresh water underlie earth's surface, but much of it is too deep to economically tap.

Sharon Long

From: Stacy Schubert [president@anchoragechamber.org]
Sent: Friday, May 04, 2007 9:21 AM
To: governor@gov.state.ak.us
Subject: Letter to Governor Palin, Producers, and All Alaskans

Open Letter to Governor Palin, Alaska's Major Producers, and all Alaskans:

The Anchorage Chamber of Commerce has been representing the interests of business and improving quality of life in Anchorage since 1915. We boast more than 1,200 members who employ in excess of 70,000 people. Our members range from small "mom and pop" shops to multi-national corporations.

We are not experts in building a gas pipeline, nor are we in a position to proffer advice about the specifics of what should or should not be included in a pipeline process. We do take our responsibilities as citizens seriously and we have made every effort to become informed about the critical issues involved in such a mega-mega project.

As business people and as Alaskans, we assume responsibility to underscore the importance of getting a natural gas pipeline built and to encourage action that results in such an outcome. It is not hyperbole to suggest the economic future of our state hinges on this project. We, therefore, write this letter to express our concern, not about any specifics in Alaska Gasline Inducement Act ("AGIA") but rather a concern about the positioning, the tone and the stated philosophies that we feel are combining to hinder the prospect of realizing a viable project. This "zero sum" game that has been established - pitting the interests of the major producers against the interest of the State is an inherently false and ultimately harmful dichotomy. The truth is the major producers and State have worked together as partners for more than 40 years, growing and developing our state

Do not be mistaken: When it comes to building a natural gas pipeline, the Anchorage Chamber is not advocating for a specific proposal or for a specific group. We are instead asking, in fact, pleading with all parties to make a concerted and sustained effort to place the common good at the forefront of the debate.

We ask Governor Palin's Administration to reach out to the major producers to get them involved and invested in the process. As exclusive owners of the leases of the gas, it is unrealistic to suggest they are not critical to the success of the project. As representatives of the business community, we are further concerned any project premised on a notion that gas can be acquired via litigation not only rests upon grave uncertainty but also creates a chilling environment for all Alaskan businesses.

We ask the major producers, BP, ConocoPhillips and ExxonMobil, to take advantage of this precious and precarious moment in our state's history to firmly and finally establish your place as partners with the people of Alaska in both word and in deed. Recognizing that you have interests throughout the world and have the ability to walk away from this project, we ask that you do not. We ask that you demonstrate your commitment to Alaska and Alaskans, not by agreeing to a deal which is economically unsound but instead by continuing to look for points of agreement until such time as the goal of a viable pipeline is achieved.

At the Anchorage Chamber, we are fortunate. We have worked arm in arm with the major producers on many occasions. They are not a faceless global corporation but instead are Phil, Alice, Brian, Tom, Carla, Dave and many more. Despite many ups and downs during the past 40 years you and your

predecessors have partnered with the State of Alaska to build a prosperous and vibrant state. Knowing this, and knowing you, we ask that in this critical hour that will define our future, you make an extraordinary outreach effort.

In Alaska we are fortunate to live in a state with a population so small that our legislators and public officials are truly also neighbors and friends. Thus, we know the Administration and the Legislature are comprised of people with integrity, doing the best they can to achieve the brightest financial future for all Alaskans. We applaud your efforts to bring competition and market forces to bear on this vital project. We ask, however, that you avoid the tendency to have too much pride in your creation, and allow instead for modifications which permit greater flexibility and thereby increase cooperation and the likelihood that AGIA will result in a viable and profitable pipeline project.

We will continue to monitor your progress on this matter. We will be particularly watchful for signs that you are listening to the voice of Alaskans who urge you to put aside distrust and entrenched positions, and to reach out and work cooperatively with all interested parties in a manner which is productive and geared toward the common good. We thank you for your efforts thus far and we remain hopeful that you will do your collective best to get a gas pipeline built as we lay the economic future of our state in your hands.

Sincerely,

William J. Evans
Board Chairman, 2006-07

Stacy Schubert, IOM
President

Stacy Schubert, IOM
President
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"Making Change"

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-- President Theodore Roosevelt, 1908

Thank you for supporting the Anchorage Chamber of Commerce!