

HB

383

<TARGET><BILL>HB 383</BILL><SUBJECT>HB
383</SUBJECT><COMM>HRLS28</COMM></TARGET>

CS FOR HOUSE BILL NO. 383(RLS)

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the membership of the board of the Alaska Gasline Development
2 Corporation; and providing for an effective date."

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

4 * Section 1. AS 31.25.020(b) is amended to read:

5 (b) Public members of the board shall be appointed by the governor and are
6 subject to confirmation by the legislature. When appointing a public member to the
7 board, the governor shall consider an individual's expertise and experience in natural
8 gas pipeline construction, operation, and marketing; finance; large project
9 management; and other expertise and experience that is relevant to the purpose,
10 powers, and duties of the corporation. Public members of the board serve staggered
11 five-year terms. A public member serves at the pleasure of the governor. A vacancy
12 shall be filled in the same manner as the original appointment. Notwithstanding
13 AS 39.05.100, a public member appointed under (a)(1) of this section is not
14 required to be a registered voter or a resident of the state. If the governor

1 appoints a public member to the board who is not a registered voter in the state
2 or a resident of the state, the governor shall send a written statement to the
3 legislature with the notice of appointment explaining the governor's reasons for
4 making the appointment.

5 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 APPLICABILITY. The requirement in AS 31.25.020(b), amended by sec. 1 of this
8 Act, that the governor send a written statement explaining an appointment of a person to the
9 board of the Alaska Gasline Development Corporation who is not a registered voter in the
10 state or a resident of the state applies to a person appointed on or after the effective date of
11 this Act.

12 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
13 read:

14 RETROACTIVITY. Section 1 of this Act is retroactive to September 1, 2013.

15 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).

Adopted

28-LS1656A.1
Martin
4/7/14

AMENDMENT #1

OFFERED IN THE HOUSE

TO: HB 383

BY REPRESENTATIVE CHENAULT



1 Page 1, following line 14:

2 Insert a new bill section to read:

3 "* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 RETROACTIVITY. Section 1 of this Act is retroactive to September 1, 2013."

6

7 Renumber the following bill section accordingly.

AMENDMENT #2

OFFERED IN THE HOUSE
TO: HB 383

BY REPRESENTATIVE GRUENBERG

1 Page 1, line 14, following "state.":

2 Insert "If the governor appoints a public member to the board who is not a
3 registered voter in the state or a resident of the state, the governor shall send a written
4 statement to the legislature with the notice of appointment explaining the governor's
5 reasons for making the appointment."

6

7 Page 1, following line 14:

8 Insert a new bill section to read:

9 "* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
10 read:

* (11) APPLICABILITY. The requirement in AS 31.23.020(b), amended by sec. 1 of this
12 Act, that the governor send a written statement explaining an appointment of a person to the
13 board of the Alaska Gasline Development Corporation who is not a registered voter in the
14 state or a resident of the state applies to a person appointed on or after the effective date of
15 this Act."

16

17 Renumber the following bill section accordingly.

* AMENDMENT TO AMENDMENT #2

LINE 11
DELETE AS 31.23.020(b)
INSERT AS 31.25.020(b)

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 383
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB383-DCCED-AGDC-04-08-14
Title: AK GASLINE DEVELOPMENT CORP.
MEMBERSHIP
Sponsor: RLS BY REQUEST
Requester: HRLS

Department: Department of Commerce, Community and
Economic Development
Appropriation: Alaska Gasline Development Corporation
Allocation: Alaska Gasline Development Corporation
OMB Component Number: 2986

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
---------------------------	--	--	--	--	--	--	--	--

Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial Version

Prepared By:	Miles Baker, Director of Governmental Relations & External Affairs	Phone:	(907)330-6360
Division:	Alaska Gasline Development Corporation	Date:	04/08/2014 10:00 AM
Approved By:	Dan Fauske, President	Date:	04/08/14
Agency:	Alaska Gasline Development Corporation		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 383

Analysis

The Corporation doesn't anticipate any material impact to the amount of money the Corporation has budgeted for board travel expenses.

AGDC's governing body statute AS 31.25.020 establishes that the Corporation will be governed by a board consisting of five public members and two principal department heads of the State. Public members are appointed by the Governor and subject to confirmation by the Legislature.

AS 31.25.020, AGDC's governing body statute, makes reference to AS 39.05 but only with regard to how initial terms will be established. This legislation amends AS 31.25.020 to allow the Governor to make appointments to the AGDC board by exempting public members from having to be registered to vote or to be residents of the state.

Alaska State Legislature

State Capitol, Room 208
Juneau, Alaska 99801-1182
Phone: 907-465-3779
Fax: 907-465-2833
Toll Free: 800-469-3779



145 Main St. Loop
Second Floor
Kenai, Alaska 99611
Phone: 907-283-7223
Fax: 907-283-7184

REPRESENTATIVE MIKE CHENAULT SPEAKER OF THE ALASKA STATE HOUSE

SPONSOR STATEMENT

House Bill 383: "An Act relating to the membership of the board of the Alaska Gasline Development Corporation; and providing for an effective date."

House Bill 383 amends the Alaska Gasline Development Corporation's (AGDC) statutes to allow for out of state appointments. Last session, the legislature passed House Bill 4. This extensive legislation laid out a structure for AGDC as a corporation, defining what the legislature wanted and included language to define board appointments, items generally addressed in AS 39.05, existing statutes related to public officers and employees. AS 39.05.100 requires board appointees to be Alaskans, unless otherwise provided. House Bill 4 articulated board requirements, without specifically stating whether members had to be Alaskans or not, with the understanding that by not specifying, appointments could be U.S. citizens as stated in the Alaska Constitution. Legal guidance at the time, plus testimony, was that House Bill 4 language allowed both out-of-state citizens and Alaskan residents to serve.

What the sponsors neglected to do, and this was an oversight, is specifically exempt AGDC from AS 39.05.100.

House Bill 383 corrects this oversight.

[Alaska Gasline Development Corporation] Board of Directors

AGDC is governed by a seven member board of directors - five public members and two principal department heads of the State of Alaska. Public members are appointed by the Governor and subject to confirmation by the Legislature. Individuals are selected for their experience in disciplines critical to the corporation's success, including finance, pipeline construction, operations and marketing, and large project construction management. Governor Parnell appointed the first full slate of directors on September 13, 2013. Commissioners Susan Bell and Dianne Blumer were designated as the two public members. John Burns was elected Chairman at the board's inaugural meeting on October 31, 2013.



John Burns

Chairman

Burns, of Fairbanks, is a former Attorney General for Alaska. He has served as an adjunct faculty member at the University of Alaska Fairbanks, teaching graduate and undergraduate business law courses. He is currently a partner with Burns & Associates and previously practiced with Borgeson & Burns and Birch Horton Bittner & Cherot.



Susan Bell

Director

Bell, of Juneau, was appointed Commissioner of Commerce, Community and Economic Development in July 2010. She serves on the board of the Alaska Railroad, the Alaska Industrial Development and Export Authority (AIDEA) and the Alaska Energy Authority (AEA), and as co-chair of the Denali Commission. She is a shareholder of Bering Straits Native Corporation and Sitnasuak Native Corporation, and former Vice President of Goldbelt Incorporated.



Dianne Blumer

Director

Blumer, of Anchorage, was appointed Commissioner of Labor and Workforce Development in May 2012. She is co-chair of the Alaska Prisoner Re-entry Task Force and has held senior state leadership positions including Director of Personnel and Labor Relations, and Deputy Director of Child Support Services. She served on the Municipality of Anchorage Public Transportation Advisory Board and the Juneau Chamber of Commerce Board of Directors.



Al Bolea

Director

Bolea, of Big Lake, is a visiting distinguished professor of leadership at the University of Alaska College of Business and Public Policy, a member of the college's advisory board and its leadership development committee. A former BP Alaska executive, he has served as Chairman of the Alyeska Pipeline Service Company and Chief Executive Officer of Dubai Petroleum in the United Arab Emirates.



Dave Cruz

Director

Cruz, of Palmer, is President of Cruz Companies, — specializing in oil field services , heavy civil construction, remote camp construction, Tug and Barge Operations and a variety of

other construction support activities. He has served on the Matanuska-Susitna Borough Port Commission, currently on the board of the Resource Development Council of Alaska and a past president of Associated General Contractors of Alaska, and is a member of the Alaska Support Industry Alliance.



Drue Pearce

Director

Pearce, of Anchorage, served in the Alaska Legislature for 17 years, including two terms as Senate President. She was the Department of the Interior's Senior Advisor for Alaska Affairs prior to President George W. Bush appointing her to be the first Federal Coordinator for Alaska Natural Gas Transportation Projects. She is the President of Spill Shield Environmental Products and a Senior Policy Adviser at Crowell & Moring, LLP. She is board president of the Institute of the North, and a director of the Alaska Aerospace Corporation and the Marine Exchange of Alaska.



Richard Rabinow

Director

Rabinow is President of The Rabinow Consortium, LLC which provides consulting services to the pipeline industry. Previously, he was President and Chief Executive Officer of Longhorn Pipeline Partners and spent 34 years with ExxonMobil including service as President of ExxonMobil Pipeline Company. He is a former chairman of the Association of Oil Pipe Lines and the Trans Alaska Pipeline System (TAPS) Owners Committee.

Links

- **Origin of AGDC**
 - **Legislation**
- **Executive Leadership**
- **Board of Directors**

Alaska Gasline Development Corporation
 3201 C Street, Suite 200, Anchorage AK 99503
 P 907.330.6300 F 907.330.6309 Toll Free 855.277.4491
 AGDC Site Map | State of Alaska © 2013

Section 3.26 - Boards and Commissions.

When a board or commission is at the head of a principal department or a regulatory or quasi-judicial agency, its members shall be appointed by the governor, subject to confirmation by a majority of the members of the legislature in joint session, and may be removed as provided by law. They shall be citizens of the United States. The board or commission may appoint a principal executive officer when authorized by law, but the appointment shall be subject to the approval of the governor.

Editors Notes -

The amendments proposed by 1980 Legislative Resolve 43 (CSHJR 20 am) (appointment and confirmation of board members) and 2000 Legislative Resolve 54 (CCS SJR 34) (public corporations) were rejected by voters.

Decisions -

Clear nature of provisions. - The provisions of this section and Sec. 25 of this article are clear and unambiguous. *Bradner v. Hammond*, 553 P.2d 1 (Alaska 1976).

Vesting of powers of appointment and confirmation. - This section vests the power of appointment in the governor and the power to confirm in the legislature in joint session. *Bradner v. Hammond*, 553 P.2d 1 (Alaska 1976).

Removal is as provided by law. - Removal of board or commission members appointed under this section is as provided by law and, therefore, not necessarily at the governor's pleasure. *Bradner v. Hammond*, 553 P.2d 1 (Alaska 1976).

Confirmation is part of executive power of appointment. - Confirmation is not a distinct legislative power, but rather a part of the executive power of appointment which has in turn been delegated in some specific instances by constitution to the legislative branch of government. *Bradner v. Hammond*, 553 P.2d 1 (Alaska 1976).

Limitation on legislative checks on governor's power to appoint. - The lack of ambiguity in this section and Sec. 25 of this article mandate that this court interpret these express provisions as embodying not only the maximum parameters of the delegation of the executive appointive authority through the legislative confirmation function but, further, that they delineate the full extent of the constitution's express grant to the legislative branch of checks on the governor's power to appoint subordinate executive officers. *Bradner v. Hammond*, 553 P.2d 1 (Alaska 1976).

This section and Sec. 25 of this article mark the full reach of the delegated, or shared, appointive function to Alaska's legislative branch of government. *Bradner v. Hammond*, 553 P.2d 1 (Alaska 1976).

The quorum for a joint session of the legislature convened under Article III, Sec. 25 and 26 of the Alaska Constitution is a majority of the members of the legislature, or 31 legislators from either house of the legislature. *Abood v. Gorsuch*, 703 P.2d 1158 (Alaska 1985).

Section 1, ch. 82, SLA 1975, is unconstitutional. - Section 1, ch. 82, SLA 1975, which amends AS 39.05.020 and purports to authorize legislative "meddling" in the exercise of an executive power, i.e., the appointment of executive officials, is unconstitutional because it is violative of separation of powers requirements. *Bradner v. Hammond*, 553 P.2d 1 (Alaska 1976).

Appointment of members of Alaska State Mortgage Association. - This section does not govern the appointment of members of the Alaska State Mortgage Association. *Walker v. Alaska State Mtg. Ass'n*, 416 P.2d 245 (Alaska 1966).

Applied in *State v. A.L.I.V.E. Voluntary*, 606 P.2d 769 (Alaska 1980); *Kerttula v. Abood*, 686 P.2d 1197 (Alaska 1984).

Cited in *Ault v. Alaska State Mtg. Ass'n*, 387 P.2d 698 (Alaska 1963); *Kohlhaas v. State*, 223 P.3d 105 (Alaska 2010).

Collateral Refs -

63C Am.Jur.2d, Public Officers and Employees, Sec. 88, 89.

67 C.J.S., Officers and Public Employees, Sec. 57; 81A C.J.S., States, Sec. 163.

1 **Sec. 31.25.020. Governing body.** (a) The corporation shall be governed by a
2 board of directors consisting of

3 (1) five public members; and

4 (2) two individuals designated by the governor that are each the head
5 of a principal department of the state, except that the commissioner of natural
6 resources and the commissioner of revenue may not be designated to serve on the
7 board unless the project for which a license is issued under AS 43.90 has been
8 abandoned or is no longer receiving the inducements in AS 43.90.110(a) or the
9 commissioner of natural resources and the commissioner of revenue are no longer
10 signatories on a valid contract under AS 43.90.

11 (b) Public members of the board shall be appointed by the governor and are
12 subject to confirmation by the legislature. When appointing a public member to the
13 board, the governor shall consider an individual's expertise and experience in natural
14 gas pipeline construction, operation, and marketing; finance; large project
15 management; and other expertise and experience that is relevant to the purpose,
16 powers, and duties of the corporation. Public members of the board serve staggered
17 five-year terms. A public member serves at the pleasure of the governor. A vacancy
18 shall be filled in the same manner as the original appointment.

19 (c) Notwithstanding AS 39.05.055, the terms of the initially appointed public
20 members of the board shall be set by the governor to be two years for two members,
21 three years for two members, and five years for one member.

22 (d) The public members of the board receive \$400 compensation for each day
23 spent on official business of the corporation and may be reimbursed by the corporation
24 for actual and necessary expenses at the same rate paid to members of state boards
25 under AS 39.20.180.

26 **Sec. 31.25.030. Meetings of board.** (a) The board shall elect a chair, secretary,
27 and treasurer from among its membership at each annual meeting. A majority of the
28 members constitutes a quorum for organizing the board, conducting its business, and
29 exercising the powers of the corporation. The board shall meet at the call of the chair.
30 The board shall meet at least once every three months.

31 (b) The board may meet and transact business by electronic media if

Sec. 39.05.100. Qualifications for appointment.

(a) A person appointed to a board or commission of the state government shall be and have been before the last general election, (1) a registered voter in the state, if the appointment is made at large or (2) a registered voter from the judicial district, if the appointment is made from a specific judicial district. The student member of the Board of Regents of the University of Alaska appointed under AS 14.40.150(b), the student member of the Alaska Commission on Postsecondary Education appointed under AS 14.42.015(d), and a member of the Alaska Human Relations Commission appointed under AS 44.19.600, are exempt from the requirement of this subsection if the member was not old enough to be a registered voter in the last general election.

(b) A member of a board or commission of the state government who ceases to reside in the state during the member's term terminates membership on the board or commission. For the purposes of this section, the acceptance of employment outside the state for a six-month period or longer, or physical absence from the state for one year or longer, or registration as a voter in a municipal, county, district, state, or national election in a voting precinct outside the state is considered as discontinuing residence in the state.

History -

(Sec. 5 ch 64 SLA 1955; am Sec. 1 ch 167 SLA 1957; am Sec. 68 ch 14 SLA 1987; am Sec. 10, 11 ch 16 SLA 1990; am E.O. No. 84 Sec. 6 (1993))

Revisors Notes -

In 2008, in subsection (a), "AS 14.42.015(d)" was substituted for "AS 14.42.015(e)" to reflect the 2008 relettering of AS 14.42.015(e).

AG Opinions -

An individual is eligible for appointment to a state board or commission where his voter registration was administratively cancelled and he has not reregistered to vote. 1987 Alaska AG Lexis 255; 1987-1 Op (Inf.) Atty Gen. Alas 367.

Where the governor has appointed a person to a state board or commission and that appointee has been confirmed by the legislature, that person is in fact a member of the board or commission even though the appointee's voter registration was administratively cancelled. 1987 Alaska AG Lexis 255; 1987-1 Op (Inf.) Atty Gen. Alas 367.

Collateral Refs -

63C Am. Jur. 2d, Public Officers and Employees, Sec. 48 to 84.

HOUSE RESOURCES TESTIMONY ON HB 4

H RES 2-4-2013 Page 31

3:02:17 PM

CO-CHAIR SADDLER asked whether the board members are required to be Alaska residents.

MS. DELBRIDGE replied there is no requirement that they be Alaska residents. The sponsors anticipate that some will be, but not all, and that the governor should have some leeway in his appointments so he is able to find people with the greatest expertise to advance this project forward.

**ALASKA STATE LEGISLATURE
HOUSE RULES STANDING COMMITTEE**

April 3, 2014
5:00 p.m.

MEMBERS PRESENT

Representative Craig Johnson, Chair
Representative Kurt Olson, Vice Chair
Representative Mike Chenault
Representative Mike Hawker
Representative Bob Herron
Representative Wes Keller
Representative Max Gruenberg

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 124

"An Act extending the termination date of the Council on Domestic Violence and Sexual Assault; and providing for an effective date."

- MOVED SB 124 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 124

SHORT TITLE: EXTENDING COUNCIL ON DOMESTIC VIOLENCE

SPONSOR(s): SENATOR(s) MEYER

01/22/14	(S)	READ THE FIRST TIME - REFERRALS
01/22/14	(S)	STA, FIN
02/13/14	(S)	STA AT 9:00 AM BUTROVICH 205
02/13/14	(S)	Moved SB 124 Out of Committee
02/13/14	(S)	MINUTE(STA)
02/14/14	(S)	STA RPT 4DP
02/14/14	(S)	DP: DYSON, WIELECHOWSKI, COGHILL, GIESSEL
02/24/14	(S)	FIN RPT 5DP
02/24/14	(S)	DP: FAIRCLOUGH, DUNLEAVY, BISHOP, HOFFMAN, OLSON
02/24/14	(S)	FIN AT 8:00 AM SENATE FINANCE 532

02/24/14 (S) Moved SB 124 Out of Committee
02/24/14 (S) MINUTE(FIN)
02/26/14 (S) TRANSMITTED TO (H)
02/26/14 (S) VERSION: SB 124
02/28/14 (H) READ THE FIRST TIME - REFERRALS
02/28/14 (H) FIN
03/06/14 (H) FIN RPT 8DP
03/06/14 (H) DP: GARA, GUTTENBERG, HOLMES, MUNOZ,
NEUMAN, T.WILSON, STOLTZE, AUSTERMAN
03/06/14 (H) FIN AT 8:30 AM HOUSE FINANCE 519
03/06/14 (H) Moved Out of Committee
03/06/14 (H) MINUTE(FIN)
04/03/14 (H) RLS AT 5:00 PM CAPITOL 120

WITNESS REGISTER

JOHN BURNS, Chairman
Alaska Gasline Development Corporation (AGDC)
Fairbanks, Alaska

POSITION STATEMENT: During hearing of SB 124, urged passage of Amendment 1.

DAN FAUSKE, President
Alaska Gasline Development Corporation (AGDC)
Anchorage, Alaska

POSITION STATEMENT: During hearing of SB 124, spoke in favor of Mr. Rabinow.

ACTION NARRATIVE

5:00:18 PM

VICE CHAIR OLSON called the House Rules Standing Committee meeting to order at 5:00 p.m. Representatives Chenault, Hawker, Herron, and Olson were present at the call to order. Representatives Keller and Gruenberg arrived as the meeting was in progress.

^#sb124

SB 124-EXTENDING COUNCIL ON DOMESTIC VIOLENCE

5:00:37 PM

VICE CHAIR OLSON announced that the only order of business would be SENATE BILL NO. 124, "An Act extending the termination date

of the Council on Domestic Violence and Sexual Assault; and providing for an effective date."

[DISCUSSION FORTHCOMING]

5:01:22 PM

REPRESENTATIVE CHENAULT moved that the committee adopt Amendment 1, labeled 28-LS1235\A.2, Martin, 3/24/14, which read:

Page 1, line 2, following "**Assault**":

Insert "; **relating to the membership of the board of the Alaska Gasline Development Corporation**"

Page 1, following line 3:

Insert a new bill section to read:

"* Section 1. AS 31.25.020(b) is amended to read:

(b) Public members of the board shall be appointed by the governor and are subject to confirmation by the legislature. When appointing a public member to the board, the governor shall consider an individual's expertise and experience in natural gas pipeline construction, operation, and marketing; finance; large project management; and other expertise and experience that is relevant to the purpose, powers, and duties of the corporation. Public members of the board serve staggered five-year terms. A public member serves at the pleasure of the governor. A vacancy shall be filled in the same manner as the original appointment. **Notwithstanding AS 39.05.100, a public member appointed under (a)(1) of this section is not required to be a registered voter or a resident of the state.**"

Page 1, line 4:

Delete "**Section 1**"

Insert "**Sec. 2**"

Renumber the following bill section accordingly.

[DISCUSSION FORTHCOMING]

5:08:00 PM

JOHN BURNS, Chairman, Alaska Gasline Development Corporation (AGDC), began by stating support for proposed Amendment 1 or any

amendment that would achieve the objective Representative Chenault articulated earlier. Mr. Burns clarified that his testimony is focused on the substance of Amendment 1, which if passed would provide legal clarity as well as ensure that the composition of AGDC's Board is best suited to achieve the mission and responsibility that this legislature conferred upon AGDC with the passage of HB 4. The AGDC, he emphasized, is Alaska's gas pipeline company and is the product of what could be argued to be the most comprehensive enabling legislation passed in recent decades. House Bill 4 embodies the hopes of Alaskans and the commitment of this legislature and administration to ensure that Alaska's gas is developed and available to Alaskans. As the chairman of AGDC, Mr. Burns ensured the committee that AGDC's Board of Directors and staff is mission oriented and focused on delivering its responsibility. The passage of SB 138 would likely add to AGDC's responsibilities as a board, which is to be expected because it's imperative that any gas project in which this state participates in an equity basis must be thoroughly evaluated and analyzed. The passage of SB 138 would likely result in AGDC - in conjunction with other state agencies - evaluating and ultimately recommending to the legislature and administration which of the two projects, the Alaska Stand-alone Pipeline (ASAP) or the Alaska LNG Project, to sanction and in which to invest. The legislature conferred tremendous responsibility on AGDC and imbued AGDC with tremendous authority to achieve its mission. However, the ability to ensure that AGDC succeeds is critically dependent upon the composition of a board that has a passion for the mission as well as the complimentary skill set to achieve that mission. An effective board of directors, he opined, must have a strategic perspective as well as the experience and expertise to formulate and implement that strategy. To a certain extent, it's unfortunate that Amendment 1 is essentially about one individual, Dick Rabinow. On the other hand, Mr. Rabinow exemplifies why Amendment 1 makes sense and why passage of such an amendment is in the state's best interest, as the owner of AGDC. Mr. Burns said he shares the comments and observations by Representative Chenault and others who recognize Mr. Rabinow's four decades of pipeline experience and his expertise in large project development, implementation, and management. Form a personal perspective, Mr. Burns attested to Mr. Rabinow's integrity as a board member, his commitment to AGDC's mission and objectives, and his active participation during board and subcommittee meetings. Mr. Rabinow, he opined, provides an owner's perspective and insight about pipeline construction, operations, management, and financing that is invaluable in assisting AGDC as it negotiates with potential

pipeline builders and operators as well as gas producers and purchasers. Similar to the Alaska Aerospace Development Corporation, AGDC's focus is on specialized, highly technical, financially sensitive industry and as such it's critically important for the AGDC Board to be comprised of individuals with the expertise and skill set complement one another as well as the mission of the corporation. Mr. Burns highlighted that this nation and the state are founded on the basic principle that what matters most is the individual and his/her personal abilities and accomplishments not one's ethnicity, gender, political affiliation, or residency. The best example of Mr. Rabinow's commitment to AGDC and the state is found in the March 18, 2014, letter to Governor Parnell as it reflects a pragmatic, practical, and business-oriented individual who is focused on the best interest of AGDC and the state and carries an attitude of service above self. Furthermore, Mr. Rabinow hasn't been engaged in self-aggrandizement or taken sides in the legal debate. In order to preserve his volunteer membership board status, Mr. Rabinow thanked the governor for the opportunity to have worked toward commercializing Alaska's natural gas resources and graciously offered to resign his appointment to the extent this legislature desires he do so. When Mr. Rabinow volunteered as a board member of AGDC, he like every other AGDC Board member, took an oath of office and signed a confidentiality agreement; the board's loyalty is to the state and the fiduciary responsibility is to AGDC. Mr. Burns, speaking as the chairman of the AGDC Board and an Alaskan, urged the committee to pass Amendment 1 whether it is to SB 124 or any other [legislation] that would enable the composition of the AGDC Board to achieve the objectives of the State of Alaska.

5:15:35 PM

DAN FAUSKE, President, Alaska Gasline Development Corporation (AGDC), drawing from his experience working with Mr. Rabinow, characterized his depth of experience as a major asset to AGDC's management team. For example, shortly after his appointment Mr. Rabinow made it a point to personally interview all of AGDC's functional managers in order to understand their level of experience, scope of duties, and project objectives. Mr. Rabinow, he related, has maintained that level of involvement to date. He opined that [the state] is fortunate to be able to tap into his knowledge of regulatory matters, safety compliance, engineering design, operations, as well as commercial applicants of the [state's] projects. In conclusion, Mr. Fauske acknowledged some of the issues at play and expressed the desire to determine how to maintain someone of Mr. Rabinow's caliber on

the AGDC Board, as AGDC takes on this project. Mr. Fauske stressed the need to consider that individuals such as Mr. Rabinow are hard to replace in terms of their talent level and loyalty. Mr. Fauske closed by thanking the committee for allowing him to speak in favor of Mr. Rabinow, who has an impressive resume.

[DISCUSSION FORTHCOMING]

Alaska Gasline Moves Forward with AGDC Board

Parnell announces Alaska gasline board appointments

September 13, 2013, Juneau, Alaska – Governor Sean Parnell today made a key move in finalizing the Alaska Gasline Development Corporation, furthering the state’s efforts to bring Alaska’s natural gas to Alaskans. The governor announced his appointments to the Alaska Gasline Development Corporation (AGDC) Board of Directors.

“The people appointed today bring deep and diverse expertise to the AGDC Board,” Governor Parnell said. “They have proven individual track records and success in team settings. I am confident that AGDC will meet the goal of getting Alaska’s gas to Alaskans and markets beyond.”

Governor Parnell appointed Albert “Al” Bolea, John Burns, Dave Cruz, Drue Pearce, and Richard “Dick” Rabinow, as well as Commissioner Susan Bell and Commissioner Dianne Blumer to the board. Bell has served as Commerce commissioner since July 2010 and Blumer was appointed Labor commissioner in May 2012.

Bolea, of Big Lake, has worked on almost every level within the oil and gas industry for nearly 40 years. He is a distinguished adjunct professor of leadership at the University of Alaska College of Business and Public Policy, a member of the college’s advisory board, and a member of the leadership development committee. Bolea has served as the chairman of Alyeska Pipeline Service Company, the chief executive officer of Dubai Petroleum in the United Arab Emirates, and is a retired BP Alaska executive. He has been a leadership expert for the U.S. Department of Energy and an in-resident CEO and lecturer at the University of Houston, Bauer School of Business. Bolea received a bachelor’s degree in management from Robert Morris University and a master’s degree in business administration from the University of Pittsburgh.

Burns, a lifelong Alaskan from Fairbanks, is a former attorney general for the State of Alaska. He has served as an adjunct faculty member at the University of Alaska Fairbanks (UAF), teaching graduate and undergraduate business law courses. Burns currently works for Burns & Associates. He received a bachelor’s degree in history from UAF and his juris doctorate from the University of Puget Sound School of Law.

Cruz, of Palmer, is a lifelong Alaskan who has been involved in construction and resource development since 1976. He is the president of Cruz Construction, Cruz Energy Services, and Cruz Marine – firms specializing in heavy civil construction, remote camp construction, oil field services, and construction support. Cruz has served on the Matanuska-Susitna Borough Port Commission, the boards of the Resource Development Council for Alaska and Associated General Contractors, and is a member of the Alaska Support Industry Alliance.

Pearce, of Anchorage, served in the Alaska Legislature for 17 years, presiding as Senate president for two terms. In 2006, she was nominated by President George W. Bush to serve as the first federal coordinator for Alaska natural gas transportation projects. Pearce is currently the president of Spill Shield of Anchorage and is a senior policy advisor at Crowell & Moring, LLP.

She is board president of Institute of the North and a member of the Marine Exchange of Alaska Board and the board of directors of the Alaska Aerospace Corporation. She also serves on the advisory board of the Kenai River Sportfishing Association. Pearce previously served on the boards for the Anchorage Economic Development Corporation, Alaska Women's Aid in Crisis, and Special Olympics Alaska. She holds an MPA from Harvard University's Kennedy School of Business.

Rabinow has an extensive background and leadership in the petroleum industry. He worked for ExxonMobil for 34 years, serving in numerous posts, including president of ExxonMobil Pipeline Company. Rabinow was the president and CEO of Longhorn Pipeline Partners before becoming president of The Rabinow Consortium, LLC where he currently works as a consultant to the pipeline industry and serves on industry and government panels. He is a prior member of the Committee on Alaska's Oil and Gas Infrastructure of the National Academies' Transportation Research Board (TRB). Rabinow also served on the TRB's Committee for Pipelines and Public Safety and on the steering committee for the Pipelines and Informed Planning Alliance sponsored by the Pipeline and Hazardous Materials Safety Administration in the U.S. Department of Transportation. He is a former member of the executive committee and chairman of both the Association of Oil Pipelines and the owners committee of the Trans Alaska Pipeline System. Rabinow holds a bachelor's degree in engineering mechanics from Lehigh University and master's degrees in mechanical engineering and management from the Massachusetts Institute of Technology.

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