

SCOMM

118:7

Alaska State Legislature

House Special Committee on Oil & Gas

State Capitol
Room 13
Juneau, AK. 99801-1182



Phone (907) 465-3004
Fax (907) 465-2070

MEMORANDUM

TO: Legislators and Legislative Staff
FROM: Representative Jim Whitaker 
DATE: January 11, 2000
RE: House Oil and Gas Committee Procedures

The Oil and Gas Committee will meet Tuesday and Thursday at 10:00 a.m. in room 17 unless otherwise noticed. All hearing requests must be submitted in writing along with a sponsor statement by noon Wednesday in order for the bill to be scheduled the following week.

Upon notification that the legislation has been scheduled for a hearing, please submit the following documents no later than 9:00 a.m. on the day before the committee meeting:

- sectional analysis (if available)
- position papers
- suggested amendments or committee substitutes
- list of potential witnesses
- any additional background information
- teleconference sites

Packets will be delivered to the committee members by noon the day before the committee hearing. Should you have any question, please contact Lori Backes, Committee Aide (x2283).

Chairman: Representative Jim Whitaker
Committee Members:

Representatives Fred Dyson • Gail Phillips • Brian Porter • Joe Green • John Harris
• Allen Kemplen • Tom Brice • Hal Smalley

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January 11, 2000

Synopsis

In opening the meeting of the House Special Committee on Oil and Gas, Chairman Whitaker described the order of business for the committee and outlined issues which the committee will take up during this second session of the 21st Alaska Legislature.

The first order of business will be the hearing of bills and resolutions assigned to the committee, followed by the charge to "discern and understand issues relating to the oil and gas sector in Alaska", including:

- the commercialization of Alaska North Slope gas
- examination of the North Slope crude market dynamic
- ascertain the status and application of Section 38.05.177 of the Alaska Land Act regarding "Shallow Natural Gas Leases"
- examine the status of oil and gas lease sales in Alaska
- review the regulatory regime of the Alaska oil and gas industry, including a definitive charting of the authority and roles of the various entities; AOGCC, Dept. of Natural Resources, Dept. of Revenue, Dept. of Law and the Legislature, and
- in the event the acquisition of Arco by BP goes forward with the approval of the FTC, the committee will conduct an examination of the implications the merger holds for Alaska.

Representative Whitaker clarified that the issue of the acquisition will be discussed within the purview of the Oil and Gas Committee only in terms of understanding the effects associated with it, and the positive non-political steps which the legislature can take or recommend regarding increased production rates, commercialization of North Slope natural gas, continuation of an equitable and stable taxing regime, and furthering a "straight-forward, non-nonsense dialogue between BP and this committee."

The Chairman then opened up the discussion to the members of the committee who offered their own concerns and suggested issues they were interested in having the committee address.

Chair: Representative Jim Whitaker
Members: Representatives Fred Dyson • Gail Phillips • Brian Porter • Joe Green
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Representative Phillips stated that she would be interested in hearing more about the "Peninsula Group", and that perhaps a joint meeting with members of the Canadian Parliament would be appropriate to discuss the Canadian connection with regard to gas.

Representative Green mentioned that the Renaissance Oil Company had expressed an interest in Alaska, and he suggested that the committee look into ways of encouraging "independents" to come to the state.

Representative Kemplen would like the committee to receive a presentation by Anadarko regarding how they would fit into the oil and gas production scenario in Alaska if the merger is approved. He also added that he would be interested in a presentation on alternative fuels, such as "fuel cells" and how the market demand for oil and gas may be affected by the invention of more fuel efficient vehicles. Rep. Kemplen also would like the committee to receive an update on the status of South Central Alaska energy reserves.

Representative Smalley stated that he would like the committee to learn more about "value added projects" in the oil and gas industry around Alaska.

Representative Dyson offered that he had attended a meeting with PNWER, (Pacific North West Economic Region) and would like information regarding a McKenzie Delta project, and a summary of production of heavy oil by BP. In expressing concern over national security issues, he requested the committee receive information regarding unknown oil reserves in Alaskan basins. Rep. Dyson also questioned whether the committee's purview may allow a look at the problems associated with the Alaska railroad transporting fuel.

Representative Harris would like the committee to do what it can to encourage the oil companies to provide more jobs for Alaskans, and is interested in having the committee examine the economic effects the City of Valdez's "vessel tax" may have on oil production in Alaska.

If you would like any information regarding meetings of the House Special Committee on Oil and Gas, contact committee aide, Lori Backes at 465-2283.

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