

SCOMM

155:20

ALASKA STATE LEGISLATURE

Senator Charlie Huggins, Chair
Senate Special Committee on Energy
State Capitol, Room 119
Juneau, AK 99801
Phone: 465-3878
Fax: 465-3265



Representative John Harris, Chair
House Rules Subcommittee on AGIA
State Capitol, Room 208
Juneau, AK 99801
Phone: 465-4859
Fax: 465-3799

Third Special Session
Twenty-Fifth Legislature

Barrow, Alaska

Tuesday July 1, 2008

9:00 a.m.-6:00 p.m.

Joint Meeting AGENDA

Presentations: Review of AGIA Findings and Determination; Natural Gas Pipeline Project as proposed by TransCanada Alaska Company, LLC and Foothills Pipelines Ltd. (TC Alaska) to the State of Alaska.

Stedman, Chair; Joulé, Samuels, Olson

➤ 9:00 - 12:00 TransCanada AGIA Application

Tony Palmer, Vice President, Alaska Gas Development

Findings & Determination Summary

Pat Galvin, Commissioner, Dept. of Revenue

➤ 12:00 - 1:00 Lunch

➤ 1:00 - 2:00 Invited Testimony (continued)

Edward S. Itka, Mayor

Testimony: By Invitation

➤ 2:00 - 6:00 Public Testimony

Time Limit May Be Set

3 min limit

Teleconference- Listen Only

Monday June 30, 2008

7:00-8:30am Breakfast: On your own. For those staying at Ilisagvik College, the cafeteria will be open. For those staying in town, see the list of restaurants at the end of this agenda.

8:00am Pick up from lobby of King Eider and Top of the World Hotel

NOTE: All visitors not staying at the college may eat at the restaurants listed at the end of the agenda.

8:30-8:45am Meet in the cafeteria for an informal presentation on the mission of Ilisagvik College.

9:00am Tours **Please Bring Your Warm Jackets, Hats and Gloves**

- 1: Point Barrow tour – ATVs available with guide for ride to Point Barrow - Point Barrow or Nuvuk is a headland on the Arctic coast of the U.S. state of Alaska, 9 miles northeast of Barrow. It is the northernmost point of the United States.. The distance to the North Pole is 1,122 nautical miles (1,291 mi/2,078 km) Point Barrow is also an important geographical landmark, marking the limit between the Arctic, the Chukchi Sea on its western side and the Beaufort Sea on the eastern.
- 2: Barrow community tour – Baleen palm trees, Welcome to Barrow sign, football field, gas fields, tundra boardwalk, Browerville, AC Store, Barrow Arch and whaling station, walk down to the ocean, house mounds, ice cellar and ending at the North Slope Borough Building – see attached Barrow Community Tour Sheet

10:18am Arrival Alaska Airlines Flight # 55

12:00-1:00pm Lunch: Where: Available on buses parked at nalukataq area
What: Box lunches available on buses catered by the Barrow High School Girl's Volleyball team

1:30pm Hospitality Room:
Available at the North Slope Borough administration building during the afternoon

2:00pm Nalukataq or Tours:

- 1: Point Barrow Van Tour and ATVs available –Point Barrow or Nuvuk is a headland on the Arctic coast of the U.S. state of Alaska,

9 miles (14 km) northeast of Barrow. It is the northernmost point of the United States. The distance to the North Pole is 1,122 nautical miles (1,291 mi/2,078 km) Point Barrow is also an important geographical landmark, marking the limit between the Arctic, the Chukchi Sea on its western side and the Beaufort Sea on the eastern.

- 2: Barrow community tour Baleen palm trees, Welcome to Barrow sign, football field, gas fields, tundra boardwalk, Browerville, AC Store, Barrow Arch and whaling station, walk down to the ocean, house mounds, ice cellar and ending at the North Slope Borough Building – see attached Barrow Community Tour Sheet

Vehicles will be available from the nalukataq to the hospitality room, Ilisagvik College, and hotels during the afternoon.

5:45pm Bus pick up from Ilisagvik College, hotels and nalukataq for dinner.

6:00pm Dinner: Where: Pepe's North of the Border
***Hosted by the North Slope Borough and Arctic Slope Regional Corporation
What: Mexican buffet

7:16pm Arrival Alaska Airlines Flight # 51

8:00pm Nalukataq

Buses will be available from nalukataq to Ilisagvik and hotels until end of the celebration

Tuesday July 1, 2008

7:45am Transportation from Ilisagvik and hotels to Ipalook Elementary School

After check out, Ilisagvik College to store luggage until picked up by North Slope Shipping and Receiving for transport to the airport. For those staying at the King Eider and Top of the World Hotel luggage will be picked up from the lobby by North Slope Borough staff.

8:00-8:45am Breakfast: Where: Ipalook Elementary School
What: Juice, coffee, tea, water, breakfast sandwiches and fruit

Hospitality suite will be available at the City of Barrow Building throughout the day.

9:00am Legislative Hearing Presentation

10:18am Arrival Alaska Airlines Flight # 55

Snacks available throughout the day at Ipalook Elementary School

12:00-1:00pm Lunch: Where: Ipalook Elementary School
What: Rib lunch catered by Pepe's

Snacks available throughout day at Ipalook Elementary School

1:30pm Public Testimony Begins

**At conclusion of the public testimony buses will be available for
Transportation to the Inupiat Heritage Center and library.**

6:45pm Transport to the Airport for Departure

7:00pm Sandwiches at the airport for departing legislative hearing attendees

8:06pm Departure of Alaska Airlines Flight # 5

Alaska Airlines Daily Flights

Arrivals

Flight AS55 Arrives 10:18am

Flight AS51 Arrives 7:16pm

Departures

Flight AS55 Departs 11:03am

Flight AS52 Departs 8:01pm

Locations in Barrow

Arctic Slope Regional Corp. 852-8633

City of Barrow Offices 852-5211

Ilisagvik College 852-3333
Bldg. 360 Stevenson Street

Inupiat Heritage Center 852-0422
5241 North Star Street

Ipalook Elementary School 852-4711

North Slope Borough 852-0200
1274 Agvik Stree

Hotels in Barrow

Airport Inn 852-2525
1815 Momeganna

King Eider Hotel 852-4700
1752 Ahkovak Street

Top of the World Hotel
1200 Agvik Street 852-3900

Restaurants in Barrow

Arctic Pizza 852-4222
125 Apayauq Street

Browsers Café 852-3456
3220 Brower Hill

Northern Lights Restaurant
5122 Herman Street 852-3300

Thai Restaurant 852-5721
5146 Herman Street

Osaka Restaurant 852-4100
980 Stevenson Street

Pepe's North of the Border 852-8200
1204 Agvik Street

Sam & Lee's Restaurant 852-5555
Bldg. 1052 Kiotak Street

Shogun Teriyaki House 852-2276
1906 Pakpuk Street

Video Bank 852-6776 - has specialty coffee
1069 Kiogak Street

Taxi Cabs

Alaska Taxi	852-3000
Arcticab	852-2227
Barrow Taxi	852-2222
City Cab	852-5050

Taxi Cab Rates

- \$1.00 for any additional stop for 3 minutes or less and \$1.00 more for any additional minutes
- Barrow to Narl, Dewline, Cakeater \$12.00; Round Trip \$24.00
- Browerville to Narl, Dewline, Cakeater \$10.00; Round Trip \$20.00
- Barrow to Browerville \$6.00; Round Trip \$12.00
- Barrow to Barrow \$5.00; Round Trip \$10.00
- Browerville to Browerville \$5.00; Round Trip \$10.00
- Barrow to Ahgeak Street \$7.00; Round Trip \$14.00
- Browerville to Ahgeak Street \$6.00; Round Trip \$12.00
- Barrow to Gas well road \$14.00; Round Trip \$28.00
- Browerville to Gas well road \$12.00; Round Trip \$24.00
- Additional Passenger Rate is \$1.00 per additional passenger
- Charter Rate \$30.00 ½ hour
- Charter Rate \$50.00 1 hour
- Sr. Citizen rate \$2.00 off the posted fare to destination, with govt. issued id
- Sr. Citizen rate \$4.00 off the total round trip posted fare to destination

Legislative Hearing on AGIA

Ipalook Elementary School

Barrow, Alaska

July 1, 2008



Comments of Edward S. Itta, Mayor

North Slope Borough

- We are on the front lines of oil and gas development



- We support the AGIA process

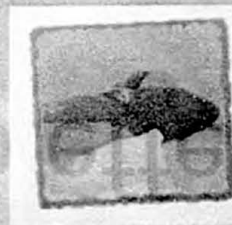


- We have a long record of support for oil and gas development onshore

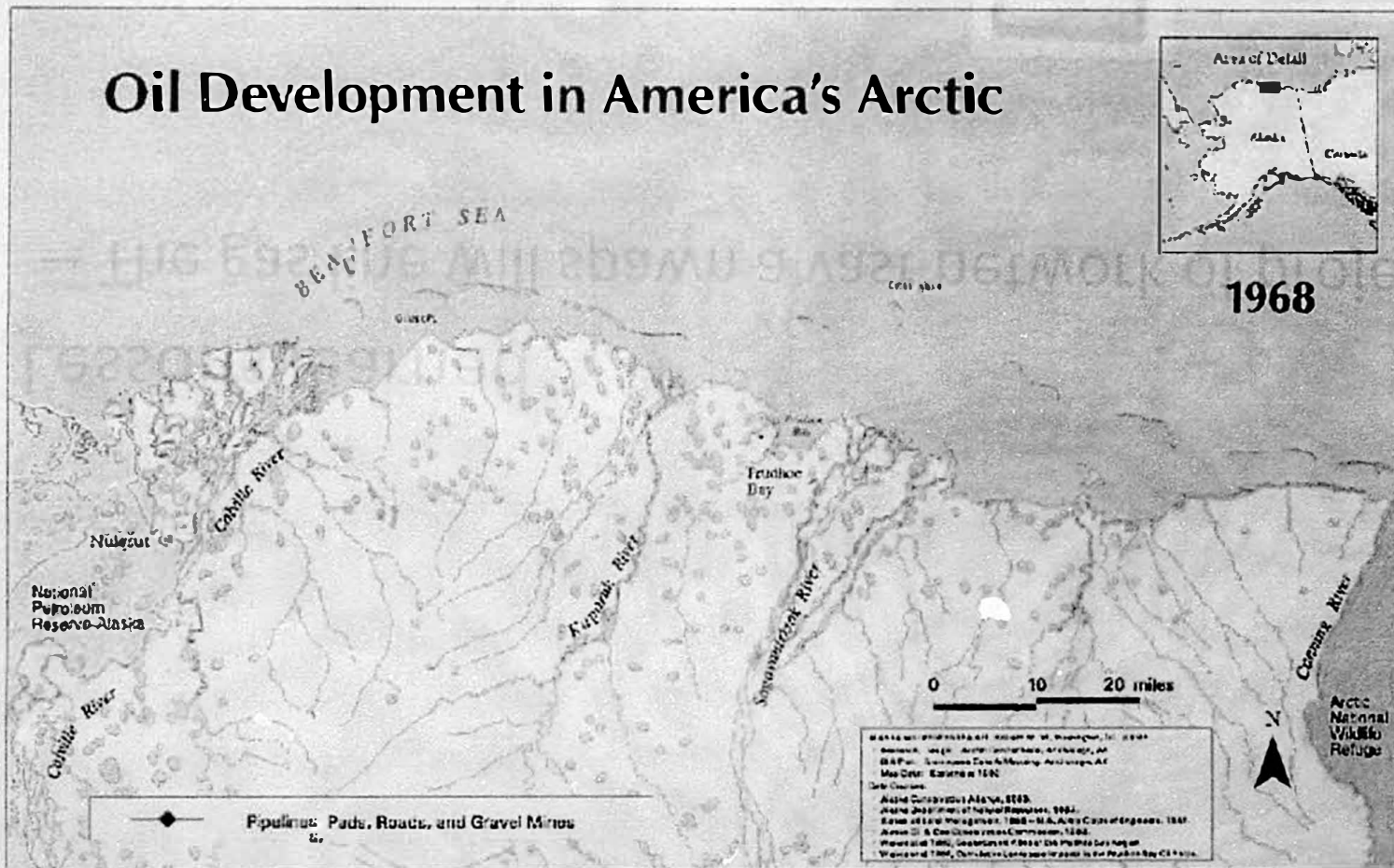


- Lessons learned

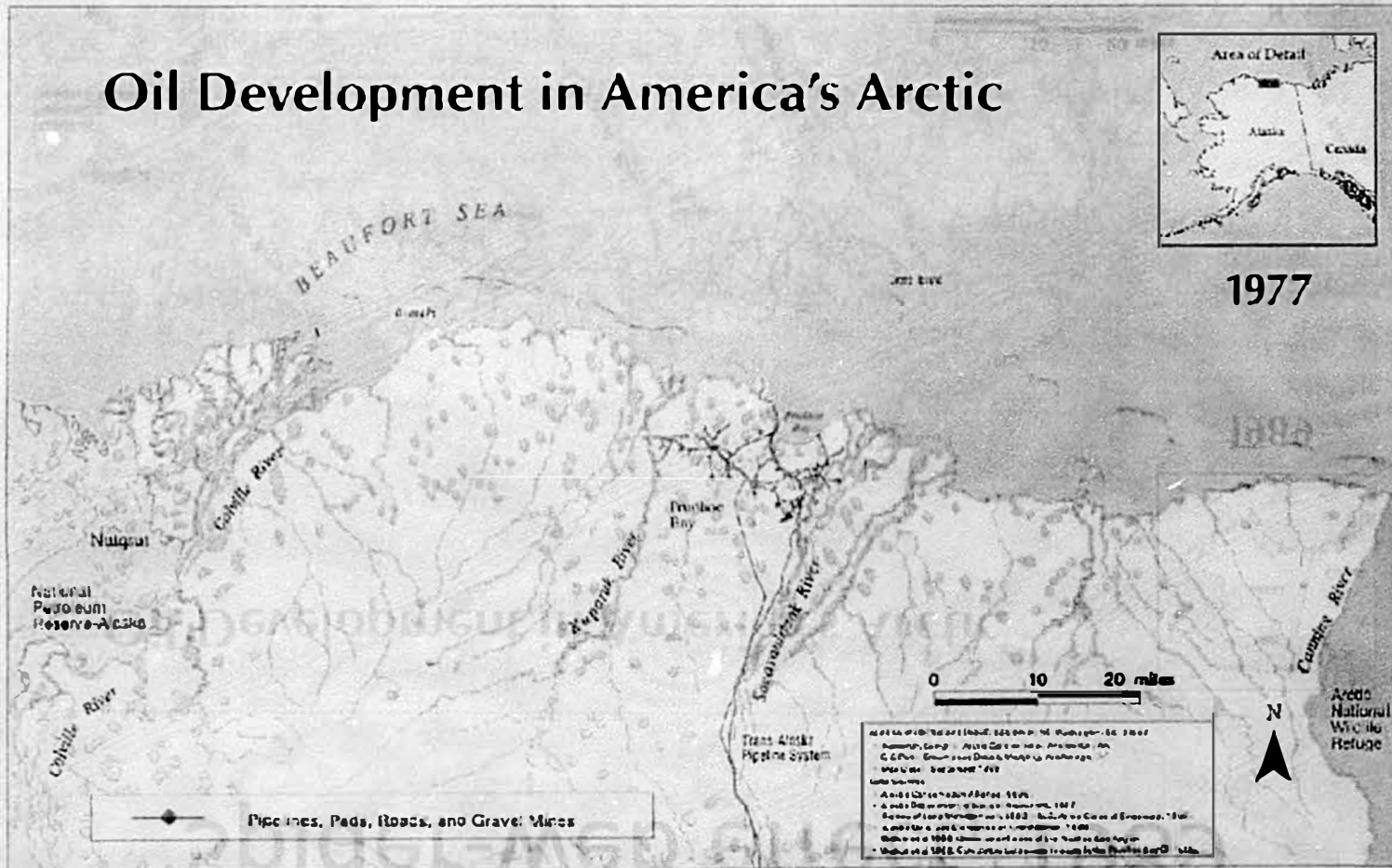
- The gas line will spawn a vast network of projects.



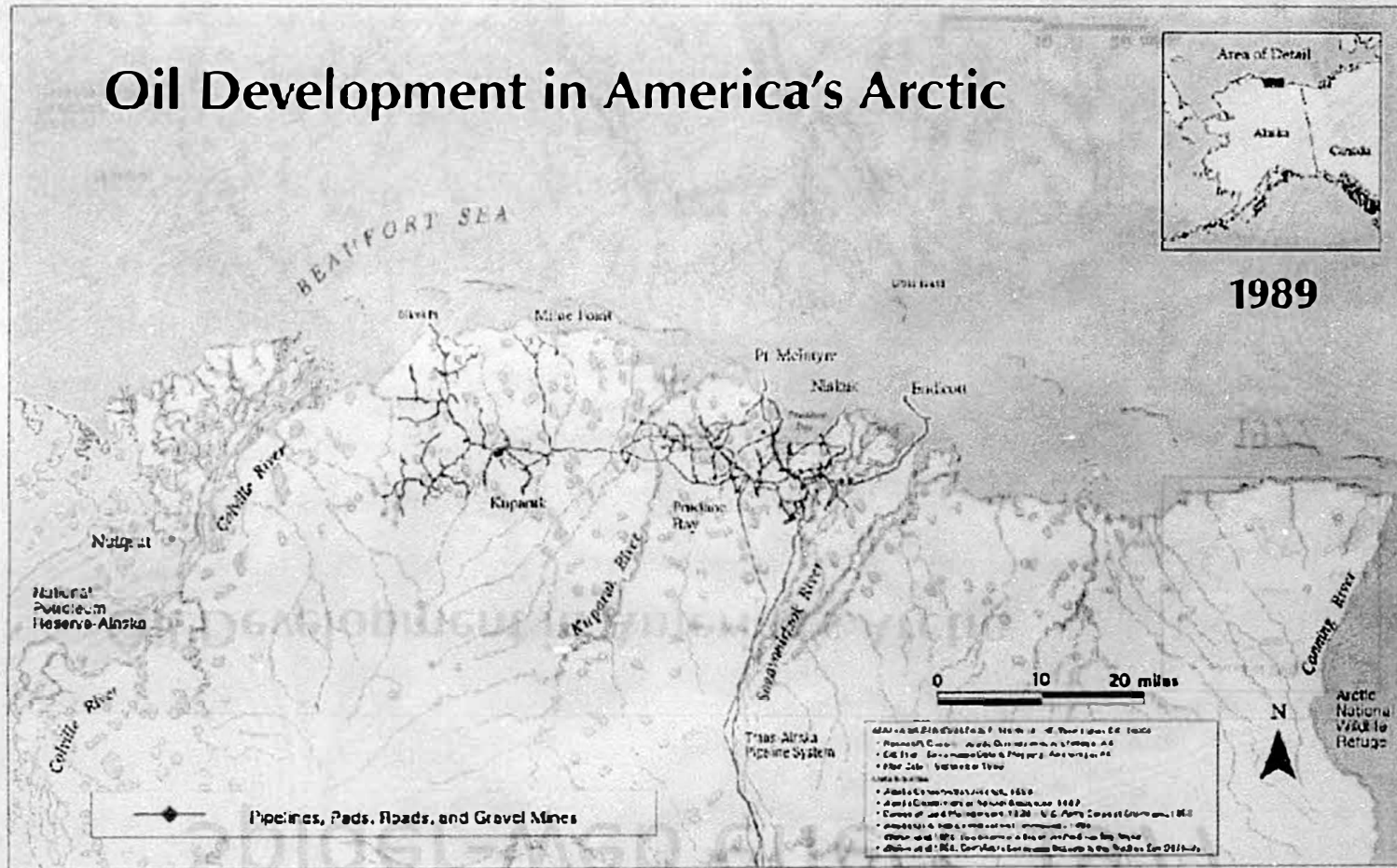
Spider-web effect, 1968



Spider-web effect, 1977

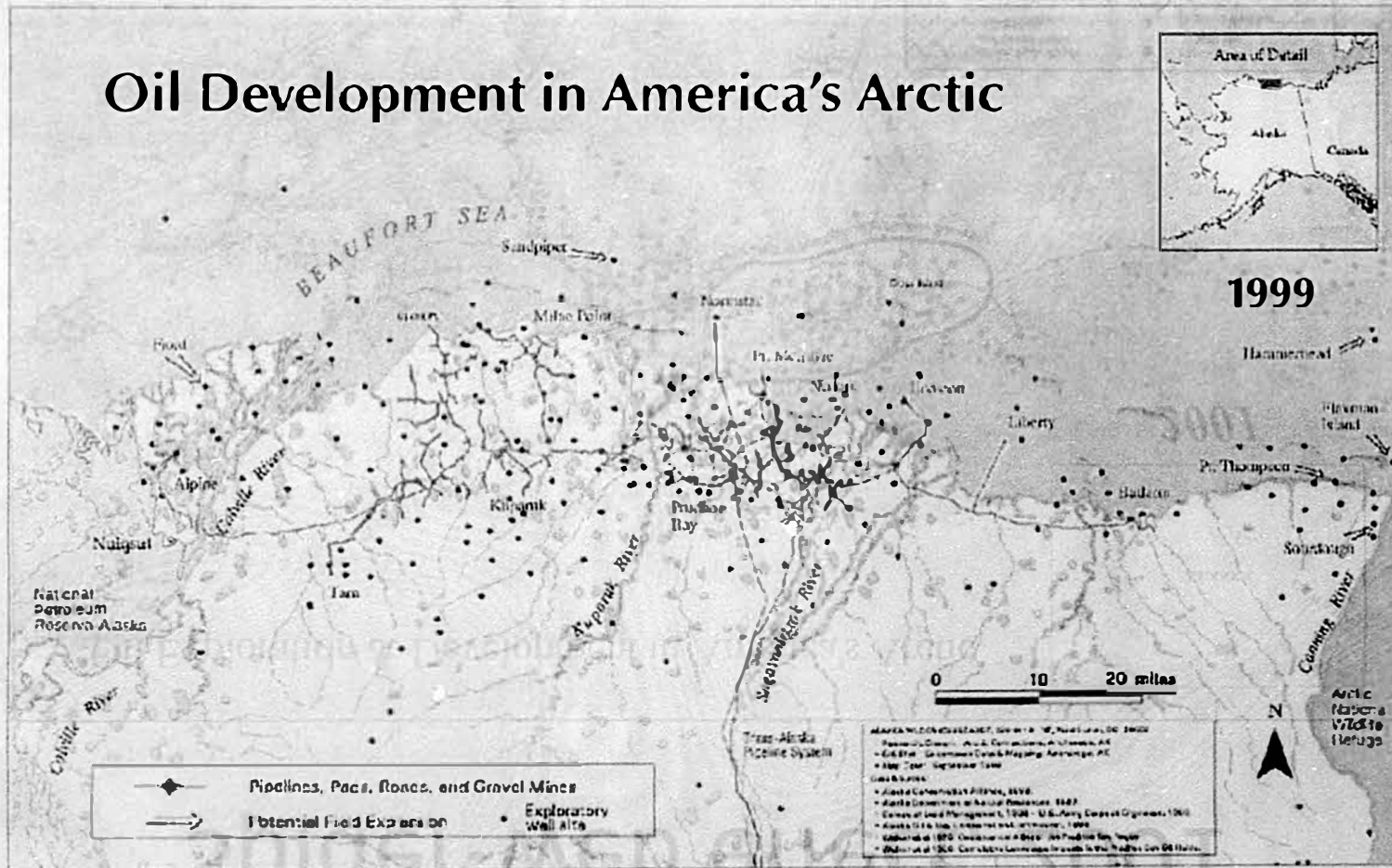


Spider-web effect, 1989

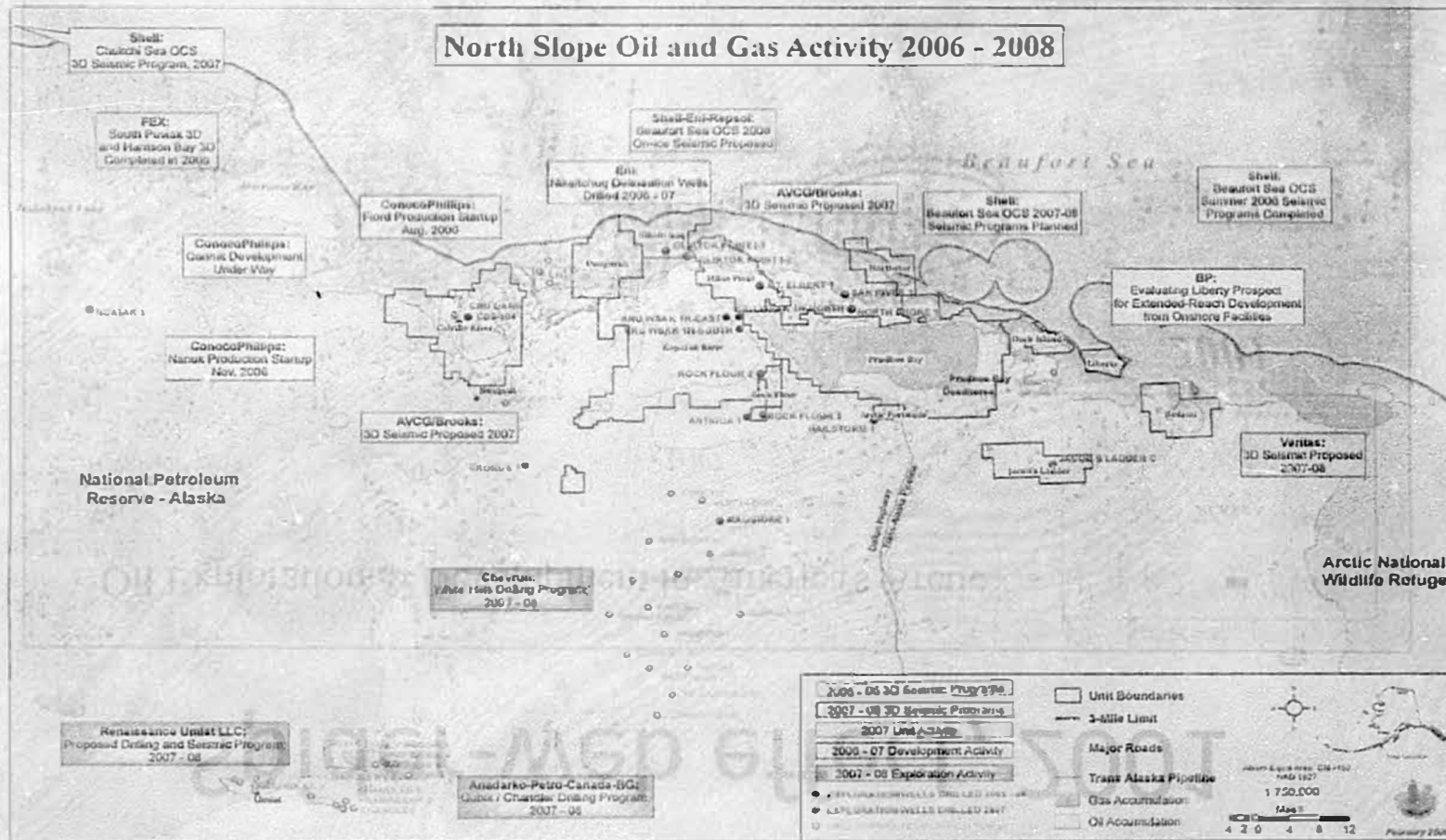


Spider-web effect, 1999

Oil Development in America's Arctic



Current Development



- Lessons learned

- The gas line will spawn a vast network of projects.
- There are cumulative impacts beyond individual project impacts.



• We believe in partnership



TESTIMONY
OF
RICHARD GLENN
VICE PRESIDENT
ARCTIC SLOPE REGIONAL CORPORATION

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July 1, 2008
Alaska State Legislature
Approving the AGIA License
Ipalook Elementary School
Barrow, Alaska

INTRODUCTION

Good morning. Distinguished members of the Alaska State Legislature, hard-working Administration and Legislative staff, and honored guests; on behalf of the Arctic Slope Regional Corporation ("ASRC") I extend to all of you a warm welcome to Barrow.

My name is Richard Glenn, Vice President of Lands for Arctic Slope Regional Corporation ("ASRC"). ASRC is the largest Alaskan-owned corporation, representing more nearly ten thousand Iñupiat shareholders from Alaska's North Slope. ASRC employs more than 3,000 people in Alaska and more than 6,000 nationwide, and ASRC holds title to approximately five million acres of surface and subsurface estate. Socially, economically, and culturally we have a powerful interest in development that occurs on the North Slope – as any gas line will – and such development will affect our shareholders, our land, and our region.

Although there has been discussion around whether a trip to Barrow was necessary in this process, from our perspective a trip to the North Slope is both necessary and important. The gasline will start in this region. The people, the organizations, and the infrastructure of the North Slope have a lot to offer this project, so we are thankful to have the opportunity for public comment, and welcome you to our home. Today I will share with you ASRC's perspective as it relates to a natural gas pipeline project with an emphasis on our interests in access to capacity, promoting economic development, progressing our workforce training and development initiatives, and assisting industry and the state in creating a legacy that lives long after the last hole is capped.

ACCESS

Our interests related to North Slope natural gas exploration and development are rooted in our desire for access to capacity. Newly discovered gas, over and above the known reserves at Prudhoe Bay and Point Thomson, will be necessary to extend the economic life of the pipeline. Such discoveries will benefit the State and ASRC as landowners, will provide additional tax base for the State and the North Slope Borough, and may promote further oil discoveries as well. We favor provisions that allow access to pipeline capacity on reasonable economic terms.

A significant portion of ASRC's landholdings are in the Central Arctic region of the North Slope, an area that extends from the foothills of the Brooks Range north to the Colville River. ASRC's Central Arctic lands are located between the National Petroleum Reserve-Alaska on the west and the Arctic National Wildlife Refuge on the east.

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This is an area that is highly prospective for natural gas. Together with State-owned lands in the central Arctic, there are 11 million acres of land there which could contain trillions of cubic feet of natural gas. This gas needs to have access to a pipeline on economic terms that encourage pipeline expansion.

While we support a tariff structure that provides for expansion, we also support provisions that prompt initial shippers to sign up for the capacity necessary to get the project started. In this regard, we believe that tax certainty for shippers may need to extend beyond the term currently contemplated, perhaps up to the term of the shipping commitment made for the volume of gas.

ECONOMIC DEVELOPMENT

ASRC undertakes many activities designed to promote sustainable economic development in our region. For ASRC, sustainable economic development means partnering to foster healthy local economies. More business results in more jobs, leading to more independence throughout our region. ASRC desires continued involvement in this process to facilitate and empower our communities. A natural gas pipeline project that is real and ready to construct contributes to our goals.

ASRC owns businesses that can provide superior service in connection with this project. Our areas of expertise in the Arctic include permitting and fieldwork, engineering, construction, pipeline services, and local content. Our family of companies are capable and experienced Arctic providers; in fact no company has installed more North Slope pipeline than ours have. Alaskan companies, including ours, should be looked to first in terms of contracting, partnerships, and training and employment opportunities.

Our region has accommodated natural resource development for over thirty years. With the construction of the natural gas pipeline and the significant resource potential in our region, it is fair to say we will continue this relationship for many years to come. We seek continued participation in the design, construction, and future operations of this major development project. Our companies are experienced and competent, they have proven themselves with industry, they put North Slope residents and thousands of other Alaskans to work, and their profits stay here in Alaska and circulate through the Alaskan economy.

WORKFORCE TRAINING AND DEVELOPMENT

All parties interested in the pipeline have expressed support for local hire and business opportunities. This is something that we should expect for any industry doing business in our state. Further, we are pleased to see the proactive approach being taken by the Alaska

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Department of Labor and Workforce Development in anticipation of the workforce needs. As this gas pipeline project progresses, we look forward to more details from this department on how private businesses can partner with the State of Alaska to put our people to work.

ASRC invests every year a significant amount of time, money, and effort in the training and development of our shareholders and employees. We have spent millions of dollars in our own region on programs to identify, train and develop the careers of our shareholders and employees in industries directly applicable to this project, which is one of the reasons why ASRC is the employer of choice for hardworking Alaskans. Our experience is aligned with the plans being developed in this regard by the Alaska Department of Labor and Workforce Development.

Further, our local post-secondary education institution, Iliasagvik College, is poised to provide important elements of training and development. Iliasagvik not only has the expertise, but the experience in providing the credentials and certifications that may be required either by law or the five operating crafts on the North Slope. We support providing education institutions like Iliasagvik College with the necessary resources to provide training opportunities to Alaskans.

CONCLUSION: LEGACY

Today the natural gas pipeline is closer to reality than it has ever been. The efforts of the Governor and her team in this regard are to be commended.

Alaskans are watching the prospect unfold that two project sponsors will advance what in the end of the day can only be one actual construction project. There are elements of each of these competing projects that have merit and could contribute to the successful development of the natural gas pipeline.

Over the years, ASRC has participated in many resource development projects that have had to reconcile disparate interests and points of view in order to come to fruition. We have had to balance – and to the greatest extent possible learn to harmonize – such powerful principles as the economic benefits of resource development and the cultural imperatives of subsistence hunting. We know from deep and long experience that careful thinking, listening, and decision making can bring people and institutions together for a common purpose. A number of Alaskans have asked whether the two projects on the table now are destined to compete until there is a winner, or whether the best elements of both may be brought together in one broadly supported effort. ASRC stands ready to bring our experience to bear at the appropriate time to help move the gas pipeline forward.

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VICE PRESIDENT
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The task before you is historic. It is important to consider the economic legacy that will be left behind by the oil and gas industry, and whether it results in lasting benefits for the indigenous people of this region, this state and all Alaskans measured by good faith, sustainable economic development, and training and development opportunities.

ASRC is positioned to foster workforce development, provide capable services, invest in infrastructure and businesses related to a natural gas pipeline project, and utilize our good will and experience to help bring parties together and develop common ground for the success of the project. We welcome discussion on how those involved with this development can support these missions to advance this legacy.

We encourage you to get to know this town, one that has virtually grown up on natural gas. Study the issues related to small town energy needs, necessary infrastructure support, and the quality of life improvements that come with the presence of a safe, reliable natural gas supply. Our people and our organizations wish to be a part of the process as natural gas development progresses. When you return to the great debates that surely will ensue regarding Alaska's natural gas, please do not fail to appreciate the regional resources we provide: our people and our land, and the promise that they both hold for all Alaskans. Welcome to Barrow.