

SCOMM

155:25

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

Fourth Special Session
Twenty-Fifth Legislature

Gymnasium
Terry Miller Building, Juneau Alaska

Monday July 14, 2008

9:00 a.m. - 8:00 p.m.

Joint Meeting AGENDA

- SB 3001/HB 3001 Approving AGIA License for Natural Gas Pipeline Project as proposed by TransCanada Alaska Company, LLC and Foothills Pipelines Ltd. (TC Alaska) to the State of Alaska.

-9:00–5:00 FERC Issues:

Jeff Wright, Deputy Director, Office of Energy Projects, FERC
(by teleconference) (has 2pm, AK time, commitments)

Bill Mogel, LB&A Consultant

Tony Palmer, VP AK Business Development, TransCanada
Curt Moffatt, Van Ness Feldman

Pat Galvin, Commissioner, Department of Revenue

Don Shepler, Greenberg Traurig

Loyola Keough, Bennett Jones LLP, (possibility to reach by phone if Canadian
NEB or Department of Energy process questions arise)

Testimony: By Invitation

-6:00–8:00 Statewide Public Testimony

Time Limit May Be Set

SB/3001
HB/3001

Public Testimony
7-14-2008

HRIS / SENIR
Juneau, AK
House Rules &
Sen. Spec. Cmte on Energy

Natural Gas in Alaska - enough to support the world for 100 years

It started in 1985, and one source for this information was in the National Geographic, it stated, "There is one hundred trillion cubic feet of natural gas in Alaska. That is enough to support the world for one hundred years."

Natural gas burns pure, it will eliminate pollution, in a matter of time it will end the green house effect. The Arctic, Antarctica, and Greenland are considered very big weather conditioners for the world.

In the last twenty years Exxon and BP have provided propoganda that there is no market for Alaska natural gas (example is attached, 2002).

Exxon is attempting to get permission from congress to build the gas pipeline. They will abandon their own property publicly for the last twenty years, and the property goes back to the owner.

Economy – Natural gas would cost about \$1.50 at the pump and a car would get twice as much mileage then the gas we use today. This means the average family in the USA would save about 300%.

Our Alaska leaders claim that the 1700 mile gas pipeline would cost only 30 billion dollars. In 1975, the oil pipeline cost 8 billion dollars and was 800 miles. If that oil pipeline was built today it would cost 28 billion dollars.

A 1700 mile gas pipeline today would cost 55 billion dollars. The only way to make a 30 billion dollar pipe line is if Canada uses it own steel mills, iron ore, labor, and truck drivers. Then they can build a 30 billion dollar pipeline.

It is Alaska natural gas and the first 800 miles of gas pipeline are in Alaska, so Alaska should retain the majority interest in the project, because it is Alaska's natural gas. Since Canada will own all that is on Canada land or: about 2800 miles, Alaska will have to go 50/50.

When Alaska Natural gas hits the market there will be trillions of dollars to split with Canada.

It would be better to deal with United States of America, to build our gas pipeline and give the USA fifty percent. Alaska will be out sourcing the entire USA.

Henry J. Stevens
Henry J. Stevens
Alaskan Democrat

po. Box 2-1234
Juneau Alaska
-99802-
Ph. 907-463-0119



REPUBLICAN PLATFORM (2000)

The year 2000, President Bush make many promises to get elected

I want to emphasize on several of those Promises:

President Bush was to find ways to make the U.S. independent of foreign oil, no more effort was ever made except to open more land in Alaska to drill for more oil.

United States does not need oil! U.S. needs Alaska Natural Gas.

There is one hundred trillion cu. Yards of natural gas in Alaska, that is enough to support the world for one hundred years.

In the last 20 years, I have read that there is no market for Alaska natural gas, this is only propaganda.

Our main market would be ourselves!

- 1) The entire U.S. Army, Navy, Marines would save billion's of dollars a year.**
- 2) The entire transportation service would benefit, trucking, buses, cabs, private cars.**
- 3) Hotels, resteraunts private homes, factories, all together would save hundreds of billions of dollars a year.**

There is three hundred million moving vehicles in the U.S., which causes 60% of the air pollution in the U.S., all private homes, hotels would almost extinguish air pollution in the U.S.

In conclusion:

Alaska Natural Gas would cost about 80 cents a gallon and also Alaska natural gas can get twice the mileage as the gas we use today.

This means trucks can transport Construction material all the way to Alaska and save about 60% of its expense.

SUB-MITTED AND REQUEST TO BE PUT INTO RESOLUTION FORM...

Henery Stevens Alaska Native Democrat

P.O. Box 1234 - Juneau - 99802 -

Phone - 463 - 0119

MONEY

THE TUG BOAT
offer a good starting and through incentives
much success in opening a business for you can
you may find a certain number of others

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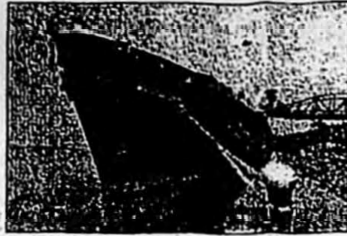
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On Tuesday it is
second-in-line for
Washington is the nation's
"thing"

THE LUG BOAT

You won't find a casino, shuffle board or other fancy amenities aboard a freighter, but they can offer a good, relaxing, and possibly inexpensive alternative to cruise ships.

Sunday's Money section.



MONEY

ANCHORAGE DAILY NEWS • www.adn.com

SATURDAY, JUNE 29, 2002

North Slope gas 'not competitive'



FRAN DURNER / Anchorage Daily News

■ **PIPELINE:** BP chief executive says project wouldn't be cost effective.

By **WESLEY LOY**
Anchorage Daily News

BP chief executive Lord John Browne, speaking in Anchorage on Friday, deflated a roomful of business people by saying conditions still aren't right to pipe the North Slope's vast natural gas reserves to market.

He went on to describe the deteriorating economics of Alaska's oil patch, where production is falling and costs are rising.

Although billions of barrels of oil remain to be pumped, Alaska production faces relentless competition from other prospects around the globe — including big gas fields closer to grow-

ing markets like Asia, he said.

"At the moment it is not competitive," Browne said of Alaska's gas.

Further dampening chances of production are taxes and royalties that would strip away all profit for BP and other oil companies, he said.

"This is not a debate about subsidy," Browne said. "We are not asking for any subsidy. We do not want corporate welfare."

Rather, he suggested incentives and "setting taxes in such a way that all projects with intrinsic economic merit can proceed."

Browne made his comments at a breakfast at the Sheraton sponsored by the Resource Development Council for Alaska, the Alaska Support Industry Alliance and the Anchorage Chamber of Commerce.

Browne's infrequent visits to Alaska always

are a big deal. Because he is head of one of the world's largest corporate oil giants and one of the state's two biggest producers, Alaskans involved in oil field drilling and support tend to hang on his words as though he were Alan Greenspan.

Small-statured with a ruddy face and regal accent, Browne was utterly humorless Friday, his speech painting a mostly distressed situation for Alaska's oil industry.

"Alaska is now a mature and much smaller oil province," he said, noting that oil production today is half what it was in 1988 — and declining. To compensate, London-based BP has tried to wrench every dollar of excess cost out of its Alaska operations, cutting its Anchorage work

See Page D-4, BP

WorldCom ties to create certainty

double
in local

thing."

WorldCom is the nation's second-largest long-distance company. On Tuesday it re-

SPOTLIGHT: RESOURCES

IN IRAQ



CHARLES REX ARBOGAST / The Associated Press

Fort Campbell, Ky. More than 600 troops from the 101st

ws to cut taxes

the entire middle class. Dean it is wider the mid-

at he has national tax reform: fairer for those that their fair to do so onents for easing im- the center al election

en. Wesley Massachusetts and cut, seek

ing to present themselves as the more centrist, electable alternatives to Dean, are hitting the issue hard in Iowa and New Hampshire

"I don't want to go back to being the old Democratic Party that doesn't get it," Kerry said in an interview Wednesday. "I've been fighting all year to protect middle class taxpayers." Kerry has advocated eliminating the tax cuts that benefit the wealthiest Americans, but preserving those for the middle class. His campaign is planning a television spot in Iowa faulting Dean for not doing the same.

Adding to the pressure within the Democratic Party are the first maneuverings of the general election campaign. The Bush camp and its allies clearly look forward to campaigning against their eventual opponent as a throwback to the old tax-and-spend days of the party

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a Dec 22 eulations, an expert approved finally an

Department suspended pending further action by Sullivan

Mark Zaid, a Washington lawyer who filed the suit challenging the program called Sullivan's decision lifting the preliminary injunction a temporary setback and said his clients would prevail at trial in challenging the anthrax vaccine

Zaid said he will soon ask Sullivan to re-issue an order blocking mandatory anthrax vaccinations because the FDA's approval of

Global warming could wipe out 37% of species

STUDY: Researchers say greenhouse gases must be reduced soon.

By GUY GUGLIOTTA
The Washington Post

In the first study of its kind, researchers from northern Britain to the wet tropics of northeastern Australia and the Mexican desert said Wednesday that global warming at currently predicted rates will drive 15 percent to 37 percent of living species to extinction by mid-century.

Dismayed by their own results, the researchers called for "rapid implementation of technologies" to reduce emissions of greenhouse gases and warned that the scale of extinctions could climb much higher because of mutually reinforcing interactions between climate change and habitat destruction caused by agriculture, invasive species and other factors.

"The midrange estimate is that 24 percent of plants and animals will be committed to extinction by 2050," said ecologist Chris Thomas of Britain's University of Leeds. "We're not talking about the occasional extinction — we're talking about 1.25 million species. It's a massive number."

The study marks the first time scientists have produced a global analysis with concrete estimates of the effect of climate change on habitat. Previous work focused on smaller regions or limited species.

Thomas led a 19-member international team that surveyed habitat decline for 1,103 plant

and animal species in five regions: Europe; Queensland, Australia; Mexico's Chihuahuan Desert; the Brazilian Amazon; and the Cape Floristic Region at South Africa's southern tip. The study is being published today in the journal *Nature*.

The regions encompass 20 percent of the Earth's surface and "include a fair range of terrestrial environments," said Thomas

"Obviously it would be valuable to expand the scope, but there's no reason to think that doing so would change our results tremendously," he said.

Researchers said the wide geographical scope also overcame outside factors that might affect a single region only: "A prolonged drought might cause one instance of a dieback" but be offset by changes elsewhere, said climate change biologist Lee Hannah, who worked in South Africa. "When you see the broader context of the regional blips drop out"

While there is little dispute that the Earth's temperature is rising, debate over the reasons and speed of change remains contentious. Still, most scientists accept that much of the warming is due to the cumulative effects of greenhouse gases that trap and hold heat in the atmosphere.

William O'Keefe, president of the George C. Marshall Institute, a conservative science policy organization, raised criticisms of the study, saying the research "ignored species' ability to adapt to higher temperatures" and assumed that technologies will not arise to reduce emissions

CORRECTIONS

A headline on a University of Alaska Anchorage hockey story on Page C-1 of Tuesday's Sports section erred in saying Matt Hanson was lost to the team because he was "flunking." Hanson was declared academically ineligible but is not flunking

A correction that ran on Page A-3 in the Dec. 23 newspaper mistakenly said that low income and elderly Alaskans received prescription drug benefits through the state's Senior Care program. None currently gets drug benefits through the program. There is a proposal to give very low income seniors the option of drug benefits instead of cash payments and to provide a limited drug benefit to seniors with slightly higher income levels

A headline on Page B-1 of Wednesday's newspaper that said small amounts of marijuana would be OK for use and



TRANSCANADA: Firm says it offers experience **PIF**

Continued from A-1

Palin's gas team is evaluating the confidential applications and is expected to announce soon which ones qualify to contend for financial incentives and a license under a new law Palin pushed last year, the Alaska Gasline Inducement Act.

To some industry observers, TransCanada already stands out as the leader among the five AGIA applicants.

"You don't need to see what's in their proposal to know they know what they're doing," said Ken Boyd, a former state oil and gas director now working as an industry consultant.

TransCanada says it offers experience building big pipelines, expertise in northern construction, and a clear understanding of the politics in Canada, through which much of an Alaska pipeline would run.

The company also has spent years lobbying in Alaska, and has a link to the head of Palin's gas pipeline team.

The state incentives and license wouldn't guarantee actual construction. Rather, they would obligate the winner to make its best effort toward a risky megaproject costing \$30 billion or more depending on its route and length.

Aside from TransCanada, the other contenders include Chinese energy giant Sinopec, a newly created Alaska firm called AEnnergia, and two governmental organizations with in-state pipeline ideas.

TransCanada has a special attraction to Alaska gas, which would feed into the company's web of pipelines in Alberta and the Lower 48, making those lines more profitable. Kvisle declined to discuss other specifics of TransCanada's bid.

ALASKA INFLUENCE

TransCanada, headquartered in a gleaming 35-story glass tower in downtown Calgary, bills itself as the largest gas transmission company in North America and one of the largest pipeline players in the Lower 48.

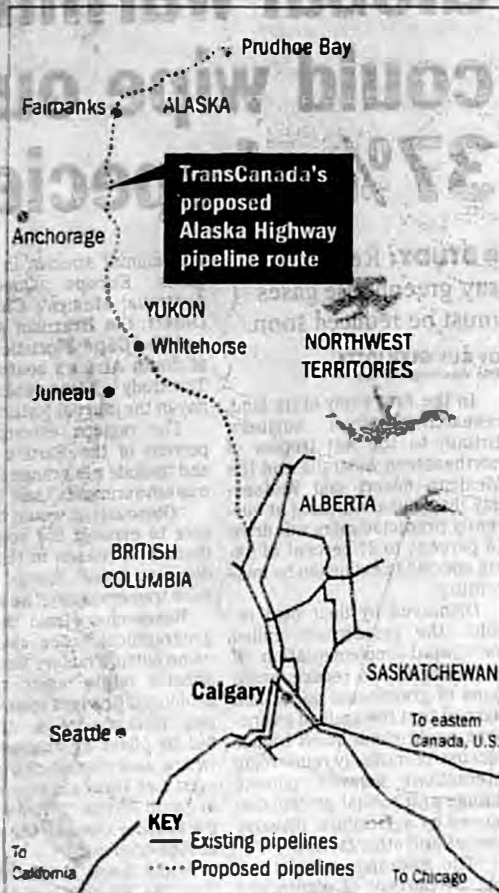
Its experience chasing an Alaska pipeline is as deep as a Prudhoe Bay well, and TransCanada touts that as an advantage.



Kvisle

In the late 1970s, just as Prudhoe crude began flowing through the trans-Alaska oil pipeline, many assumed builders soon would lay a gas line.

The U.S. and Canadian governments awarded a partnership that included TransCanada



Source: TransCanada Corp. RON ENGSTROM / Anchorage Daily News



TransCanada

- **THE BUSINESS:** A top Canadian pipeline and power company with 36,500 miles of natural gas pipelines across Canada, the U.S. and Mexico.
- **HEADQUARTERS:** Calgary
- **WORKFORCE:** 3,550 employees
- **CHIEF EXECUTIVE:** Hal Kvisle
- **2006 FINANCIALS:** \$1.1 billion profit on \$7.5 billion in revenue
- **WEB SITE:** www.transcanada.com

Source: TransCanada Corp.

ing proposal from Conoco, BP and Exxon Mobil, died under Palin's predecessor, former Gov. Frank Murkowski.

Now, TransCanada is bidding once again.

The company has worked behind the scenes to bolster its position in Alaska.

One of its lobbyists, lawyer Tom Roberts of Washington, D.C., was chief counsel and legislative director for Murkowski from 1985 to 1990 when Murkowski was a senator.

For the 2005 deal, TransCanada negotiated with Marty Rutherford, a deputy natural resources commissioner under

NO GAS, NO PIPE

All the bidders come into Palin's pipeline competition with some handicap.

For TransCanada, the company lacks what any viable pipeline must have — North Slope natural gas.

Most of the Slope's 35 trillion cubic feet of gas is controlled in roughly equal shares by Conoco, BP and Exxon Mobil, the latter two opting not to bid last month.

Canadian industry analysts say TransCanada's long pursuit of an Alaska gas line is easy to understand. With western Canada gas fields expected to produce much less in 20 years, the company wants new supplies to keep its vast pipeline network filled, said Bill Gwozd of the Calgary consulting firm Ziff Energy Group.

As a company, TransCanada is highly regarded, analysts say.

"They have an excellent management team that has a track record of successfully executing large projects," said Daniel Shteyn of Desjardins Securities in Montreal.

Kvisle, the TransCanada chief, said he doesn't need Alaska's gas. But the gas presents a chance for new profits, and the extra volume could lower pipeline fees for all customers, he said.

Before construction can start, the oil companies controlling the gas must commit to use the pipeline, Kvisle said.

"We can't make this project go on our own," he said.

MEGAPROJECT EXPERIENCE

During legislative hearings this year, TransCanada executives fought one important AGIA bidding requirement — that the winner of the state license promise to seek an expensive federal pipeline certificate even if North Slope gas producers decline to use the pipeline.

Whether TransCanada has made that commitment — that is, whether its application is complete — remains to be seen.

Kvisle said he's optimistic the oil companies will come along. He ticked off projects on which his company and the oil majors are partners, not rivals, such as a \$5 billion oil pipeline TransCanada and Conoco are planning between Alberta and Oklahoma.

In its proposal to the state, Conoco told Palin it would be willing to have a pipeline company share ownership in an Alaska gas line.

As for the job of actually building a superpipe across rugged northern terrain, TransCanada is most qualified

say

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3 minute Time Limit

7-14-2008
SB/3001 HB/3001

- Bill Leighty - Leighty Foundation - Juneau
Creeky foundation

6:30:45 - James Williams Valdez
Bring to Valdez - sell to Canadians or anyone else!

6:36:10 - Henry Stevens in Juneau

6:43:15 - Al Keatch To K
vote yes for AGIA

- Bill Warren Nikiski
yes for AGIA

6:48:40 - Paul Kendall Anch
favors AGIA - NOW!

6:55:45 Alfred McKinley (yes on Valdez Line) Juneau
AK Native Brotherhood - Chair legislative Comte
problem w/these having had DWI cannot go work or
go in to CANADA

7:00:25 Merritt Pearce for All AK LINE Fairbanks
Self - but ANGPA member
please listen to Alaskans - Support AK line

7:10:15 John Sandor All AK Line to Valdez! Juneau 80,000 people in SE AK
1953 came to JNU
former Regional Forester-USFS & former DEC Commissioner

7:13:00 Jerry McCutcheon Anchorage
no on AGIA
it's premature

7:18:30 Tom Lakosh Anchorage

7:36:30 George Brown "think about the children" Juneau
10 minute standby - to see if anyone else
signs up.