

SCOMM

#21:1

Introduced: 2/11/75
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 146

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Natural Resources, Alaska Royalty Oil and
8 Gas Development Advisory Board; and providing for an
9 effective date."

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

11 * Section 1. The sum of \$14,200 is appropriated from the general fund
12 to the Department of Natural Resources to fund the Alaska Royalty Oil and
13 Gas Development Advisory Board for the fiscal year ending June 30, 1975.

14 * Sec. 2. This Act takes effect immediately in accordance with AS 01.
15 10.070(c).

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE CONCURRENT RESOLUTION NO. 106

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 Relating to the taking of
6 state-owned royalty oil or gas
7 in-kind and its disposal by sale.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 WHEREAS the legislature by enactment of the Alaska Royalty Oil and Gas
10 Development Board statute, AS 38.06. et seq., has established a clear policy
11 of favoring the taking of state-owned royalty oil or gas in-kind and making
12 that royalty available for in-state uses; and

13 WHEREAS the State of Alaska presently receives a one-eighth royalty on
14 gas produced from the North Cook Inlet Gas Field in value, but has the
15 right to receive this royalty in-kind; and

16 WHEREAS the commissioner of natural resources has entered into a
17 contract for the sale and purchase of state-owned royalty gas from the
18 North Cook Inlet Gas Field with Alaska Pipeline Company, an Alaskan corpora-
19 tion which sells natural gas in the Anchorage and North Kenai Road areas; and

20 WHEREAS the contract between the State of Alaska and Alaska Pipeline
21 Company requires as a condition precedent to its becoming effective appro-
22 val by a majority of each house of the Legislature;

23 BE IT RESOLVED by the Alaska State Legislature that approval of
24 Alaska Royalty Gas Sale No. 76-1, the contract for the sale of state
25 royalty gas from the North Cook Inlet Gas Field to Alaska Pipeline Company,
26 is hereby approved.

approved Feb 24, 1976

INTERIM REPORT
OF THE
JOINT GAS PIPELINE IMPACT COMMITTEE

This Committee, through public hearings and staff investigation, has become convinced that immediate action by the State of Alaska is essential if the citizens of this State are to receive maximum benefit from the State's natural gas resource.

The Committee will issue a full and complete report on its findings and recommendations at a later date, but is impelled to submit this interim report to the Legislature and the people of the State of Alaska because of the urgency of the present situation.

The Committee finds and concludes the following:

1. A federal decision authorizing the transportation of North Slope natural gas across Canada would be inimical to the interests of the State of Alaska. The State's resource would be drained, its people denied access to a premium fuel and raw material, its work force deprived of employment opportunities, and productive economic growth would be thwarted.
2. A federal decision authorizing the transportation of North Slope natural gas across the State of Alaska to an open port will serve the best interests of the State.
3. The level of benefits, and burdens reasonably to be expected by the State as a consequence of any decision on a North Slope gas transportation system are of such magnitude that the routing decision must be regarded as critical to the future of the State. Action to secure a Trans-Alaska routing must be pursued as expeditiously as possible; no reasonable step should be left untaken.
4. The position of the state as owner of a one-eighth royalty in natural

gas and natural gas liquids produced from State-owned lands on the North Slope creates an immediate opportunity for effective State action which can assist in securing a Trans-Alaska transportation system.

5. Affirmative, aggressive action by the Governor, the Commissioner of Natural Resources, the State Royalty Board, and the Legislature with respect to the State's royalty gas is imperative.
6. Effective use of the State's royalty gas, to serve the best interests of the State, requires:
 - a. The State must elect to take its royalty share of natural gas and natural gas liquids in kind.
 - b. The State must commit a portion of its royalty gas to purchasers who will assist in securing approval of a Trans-Alaska transportation system, and who will thereafter utilize such a Trans-Alaska system.
7. Present levels of natural gas demand in Alaska permit a commitment of a portion of the State's royalty gas to purchasers outside the State; while every effort must be made to retain a substantial part of Alaska's gas for present and future in-state needs, it is in the overall best interests of the State to offer for sale outside the State, a substantial portion of the State's royalty gas to purchasers who can, and will, assist in securing authorization of a Trans-Alaska transportation system.
8. Those persons and firms interested in the construction and operation of a Trans-Alaska transportation system can materially alleviate State unemployment problems, and the State should, in striking a bargain for the commitment of State resources to a Trans-Alaska

system, secure appropriate commitments for the hire and training of Alaska residents in the construction and operation of such a system.

9. Finally, the risk that non-action by the State, or delayed action by the State, will cause the selection of a Trans-Canadian routing, and the risk that the State will lose substantial benefit of its natural gas resource are so great, it is the sense of this Committee that State action must not be delayed.

BY REASON OF THE FOREGOING, IT IS THE RECOMMENDATION OF THIS COMMITTEE THAT:

1. The commissioner of Natural Resources and the State Royalty Board should undertake immediate negotiations with interested out-of-state purchasers to reach definitive sales and/or exchange agreements covering disposition of substantial portions of the State's royalty gas on the best obtainable terms.
2. The Commissioner of Natural Resources and the State Royalty Board should undertake immediate negotiations with natural gas transporters involved in the proposal for a Trans-Alaska system to reach definitive transportation agreements covering the State's royalty gas sold for out-of-state use, and the State's withdrawal of the unsold portion of its royalty gas from the system for in-state use; appropriate commitments should be obtained with respect to hire and training of Alaska residents.
3. The arrangements and agreements so negotiated should be presented to the Legislature for ratification prior to the end of the Second Session of the Ninth Legislature to avoid, if possible, a special session.
4. The Legislature should hold itself ready for immediate consideration

of and prompt action on, the recommendations of the Commissioner and Board.

5. Such arrangements, contracts, and agreements as are negotiated by the Commissioner and Board and approved by the Legislature should be incorporated into the pending applications for a Trans-Alaska transportation system, presented to the Federal Power Commission by the appropriate transporter-applicant, and approval thereof obtained in the pending Federal Power Commission proceedings.
6. The Legislature should adopt SCR 66 and further seek the active cooperation of all owners of North Slope gas in support of the Trans-Alaska pipeline route.

GAS PIPELINE IMPACT COMMITTEE
February 24, 1976 - 1:00 PM

MEMBERS PRESENT: Senator John Rader, Chairman, Clark Gruening, Vice-Chairman, Senator John Huber, Senator Pat Rodey, Senator Kay Poland, Rep. Bob Bradley, Rep. Keith Specking, Rep. Nels Anderson, Rep. Steve Cowper

MEMBERS ABSENT: Rep. Ramona Kelley, Rep. Glenn Hackney, Senator Frank Ferguson, Senator Terry Miller, Senator Clem Tillion

CALL TO ORDER

The meeting was called to order by Chairman John Rader.

INTERIM REPORT OF THE JOINT GAS PIPELINE IMPACT COMMITTEE

Chairman Rader presented copy to members of proposed Interim Report, prepared by Rush Moody of Baker and Botts, Washington, D.C.

Committee members reviewed the report paragraph by paragraph for additions, deletions, suggestions, etc.

Representative Bradley suggested delineation of the Governor and Commissioner of Natural Resources in Conclusion #5, however, it was felt that specific figures named might inhibit negotiations.

Decision was made to add the word "and" in Conclusion #6(a): "The State must elect to take its royalty share of natural gas and natural gas liquids in kind", at the suggestion of Representative Gruening.

Representative Gruening stated that "must commit" in Conclusion #6(b) was perhaps too strong. Consensus of the Committee members was to express the statement with strong language. Motion was made TO SUPPORT AGGRESSIVE AND AFFIRMATIVE ACTION AND MAINTAIN MANDATORY LANGUAGE. The motion passed, with the opposition of Representative Gruening noted.

Discussion was held concerning Conclusion #7 that: "Present levels of natural gas demand in Alaska permit a commitment of a portion of the State's royalty gas to purchasers outside the State; while every effort must be made to retain a substantial part of Alaska's gas for present and future in-State needs, it is in the overall best interests of the State to offer for sale outside the state, a substantial portion of the State's royalty gas to purchasers who can, and will, assist in securing authorization of a Trans-Alaska transportation system". Representative Bradley asked for the "wisdom of the Chair" regarding this matter. Chairman Rader felt that if position was not taken by the Legislature that a special session may be imminent, or the decision would be postponed until the legislative session next year. Chairman presented the alternative to give the Royalty Board the authority to act on this issue. Representative Specking felt that the Royalty Board could complete, and the Legislature could ratify before the end of this session. Representative Cowper felt that this body should not surrender any more of the State's authority to the Executive Branch.

Chairman Rader proposed the following change to Recommendation #3: "The arrangements and agreements so negotiated should be presented to the Legislature for ratification as soon as possible and in all events prior to the end of the Second Session of the Ninth Legislature to avoid, if possible, a special session". Representative Anderson moved TO ACCEPT CHAIRMAN RADER'S CHANGE OF RECOMMENDATION #3. Representative Cowper moved TO OMIT THE WORDS "AS SOON AS POSSIBLE AND IN ALL EVENTS" FROM RECOMMENDATION #3. The change to Recommendation #3 as proposed by Chairman Rader, and amended by Representative Cowper, passed unanimously.

Representative Anderson moved TO ADOPT THE INTERIM REPORT WITH CHANGES AS NOTED BY THE COMMITTEE. The motion passed unanimously.

SUPPLEMENTAL APPROPRIATION CONCERNING ROYALTY GAS

Decision was made by Committee members for introduction of a bill "Rules Committee by Request" concerning a \$50,000. appropriation for initiating supplemental appropriation to the Commissioner of Natural Resources to begin negotiations for commitment of North Slope royalty gas. Back up information on the appropriation will be submitted at the presentation of bill to the Finance Committee. Representative Anderson moved THAT APPROPRIATIONS BILL FROM THIS COMMITTEE BE SUBMITTED. Without further Committee action, the motion passed with no objection.

BANKING LEASES

Committee members discussed including a banking option in future royalty gas leases.

Representative Anderson moved that STAFF PREPARE PERMISSIVE BANKING BILL TO BE PRESENTED THROUGH THE SENATE AND HOUSE RULES COMMITTEES. Chairman Rader stated that copies of the bill would be distributed to Committee members informing them of bill presentation date. The motion passed with no objection.

ECONOMIC WASTE

Discussion was held concerning definition of economic and physical waste for submission in a bill relating to gas and oil production. Representative Anderson moved that THIS BILL BE PREPARED WITH INCLUSION OF "ECONOMIC WASTE" DEFINITION. The motion passed.

RESOLUTION DRAFT 2/23/76

Draft of a resolution dated 2/23/76 regarding severance tax on natural gas produced in Alaska was reviewed by Committee members. Representative Bradley moved THAT CHAIRMAN RADER BE EMPOWERED TO INTRODUCE THE RESOLUTION. With the minor exception that reference to Honorable Nathan Litt, Federal Power Commission, Washington, D.C. was misspelled, and in fact, is Honorable Nahum Litt, the motion was passed.

AUTHORIZATION OF COMMITTEE PROPOSALS

Chairman Rader proposed that the Committee would function by minutes rather than by circulating reports. The minutes would be used to give Chairman Rader the authority to submit bills, resolutions, and the report as authorized by the Committee. The proposal was approved with no objection.

ADJOURNMENT

The meeting was adjourned at 1:50 PM.



Alaska State Legislature

Senate

JUNEAU, ALASKA

February 27, 1976

Senator Chancy Croft
President of the Senate
Alaska State Legislature
State Capitol, Pouch V
Juneau, Alaska 99811

Representative Mike Bradner
Speaker of the House
Alaska State Legislature
State Capitol, Pouch V
Juneau, Alaska 99811

RE: Interim Report of the Joint Gas Pipeline Impact Committee

Dear Mr. President and Mr. Speaker:

Please consider this to be a letter of transmittal of the Interim Report of the Joint Gas Pipeline Impact Committee existing pursuant to H.B. 258 "The Gas Pipeline Impact Committee", Chapter 170 SLA 75. I request that this letter of transmittal, together with the report, be read into the appropriate Journal in each house.

As an aid to the interpretation of the Interim Report, I submit the following as being my understanding of the sense of the Committee:

1. The Committee does not intend to suggest that the Commissioner of Natural Resources or the Royalty Board enter into unreasonable agreements with prospective purchasers. It is the sense of the Committee that Alaska should indicate that it is a "willing seller" of a portion of its gas and is seeking a "willing buyer" on terms which will reserve as much gas as possible for future use to meet Alaska's internal domestic and other needs. The Committee would expect the executive to negotiate the best possible agreement. Understanding, that when such an agreement is negotiated, it may or may not be acceptable to the Legislature. It may be that the executive will negotiate the best possible agreement, at the same time recommending against its implementation on the basis that too little is received by the State and too much given by the State. We believe that it is imperative, however, in the conduct of the people's business, that such a tentative agreement be made public and its merits debated.
2. We do not wish to tie our negotiator's hands by quantifying the word "substantial" as used in paragraph #7 in the Committee's findings, and paragraph #1 of the Committee's recommendations.

3. The Committee does not suggest an arbitrary time deadline for our executive negotiators. We do point out, however, for the agreement to be finalized, legislative approval is necessary and a special session should be avoided if possible.
4. We do not intend in any manner to preclude negotiations for use of royalty gas within the State of Alaska and the further exploration of petrochemical and domestic uses. The major thrust of the Committee's recommendations is based on the belief that a Trans-Alaska pipeline is essential for future domestic and petrochemical in-state use options of North Slope gas.
5. Pursuant to other action by the Committee, the following have been introduced by the respective Rules Committee by request:

SCR 85/HCR 107	"Relating to the Impact on Alaska of a Trans-Canada Gas Transportation System"
SB 685/HB 848	"An Act Making a Special Appropriation to the Department of Natural Resources for the Purpose of Conducting Negotiations with Prospective Purchasers of North Slope Natural Gas and Providing for an Effective Date"
SB 686/HB 850	"An Act Relating to Waste of Oil and Gas and Providing for an Effective Date"
SB 687/HB 849	"An Act Relating to the Leases of State Land for Oil and Gas into taking of Royalty Gas from them and Providing for an Effective Date"

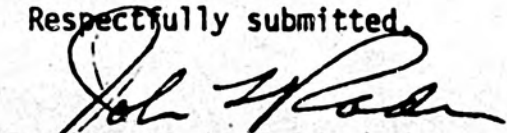
6. Finally, and most importantly, our recommendations are based on the facts and circumstances as they exist today.

The situation may change at any time rendering the presently recommended strategy inappropriate. For example, it has been suggested that the Federal Power Commission may conduct allocation proceedings nullifying contractual sales commitments. Gas may be more or less deregulated. The recent request of the President for authority to make the final route decision subsequent to January 1, 1977 may effect the political climate. It may be determined, as has been suggested by some, that neither the Trans-Alaska nor the Trans-Canada line are economically feasible at this time.

The recommendations of the Committee rely strongly on the advice of our consultant, Mr. Rush Moody, recently Vice-Chairman of the Federal Power Commission. The strategy may only be appropriate if the Federal Power Commission closes the certification hearings in May according to its present schedule and further certifies one route based on the precedents, principles, and considerations customarily employed in past certification proceedings admittedly more limited in scope and of much less national significance.

The opportunity to use royalty gas to accomplish our public purposes as we perceive them may be lost unless we have substantially negotiated possible sale terms and are ready to move if and when the time arrives - which may be very soon.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "John Rader".

Senator John Rader, Chairman
Gas Pipeline Impact Committee

JR/kb

Introduced: 3/7/75
Referred: Resources and
Finance

Passed

BY FISCHER, ANDERSON, BOWMAN, BRADNER,
BROWN, DAVIS, DUNCAN, FINK, FREEMAN,
GUY, KELLEY MCKINNON, OSTERBACK,
PARKER, PARR, RHODE AND SWANSON

1 IN THE HOUSE

2 HOUSE CONCURRENT RESOLUTION NO. 31

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 Relating to the proposed trans-Alaska
6 gas pipeline.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS the United States is experiencing a serious energy crisis; and

9 WHEREAS the State of Alaska has vast known and yet undiscovered natural
10 resources, the wise development of which will serve to reduce this crisis;
11 and

12 WHEREAS the economic viability of the State of Alaska is dependent to a
13 large extent upon the development of its natural resources; and

14 WHEREAS it is in the best interests of the state and the country to
15 initiate and support those programs and projects which will ensure the expedi-
16 tious and wise development of these necessary resources; and

17 WHEREAS alternative trans-Alaskan or trans-Canadian pipeline proposals
18 have been made for the transportation of the natural gas from the North Slope
19 and

20 WHEREAS a trans-Alaska natural gas pipeline has numerous and significant
21 benefits to the state and the nation, such as:

22 (1) the line would be entirely within the United States and not
23 subject to the interests or partial control of a foreign government, however
24 friendly;

25 (2) the line will cross geological basins which will possibly open
26 new areas to exploration and development;

27 (3) it would provide employment of Alaskans and other citizens of
28 the United States in the operation and maintenance of the gas pipeline and
29 related facilities after the construction phase has ended and create

1 additional jobs in supporting industries;

2 (4) the pipeline would, directly and indirectly, create a large
3 and significant permanent tax base for the State of Alaska and its cities
4 and boroughs and would improve the nation's balance of payments;

5 (5) a trans-Alaska line could probably be completed much sooner,
6 thus ensuring an earlier supply of natural gas to the United States;

7 (6) it would promote additional industrial development and conse-
8 quent employment within many areas of Alaska through the use of natural gas
9 as an energy source and provide for the needs of existing industry;

10 (7) the environmental impact in Alaska would be minimized;

11 (8) delivery of Alaska natural gas to the west coast of the United
12 States will permit diversion of existing gas supplies to the midwest and
13 eastern United States markets to assist in providing those markets with ade-
14 quate supplies at moderate prices;

15 BE IT RESOLVED by the Alaska State Legislature that it supports the
16 construction of a trans-Alaska natural gas pipeline, generally following the
17 planned trans-Alaska oil pipeline, and strongly urges the Governor to make
18 available all of the resources at his command to ensure an early favorable
19 decision regarding the proposed trans-Alaska natural gas pipeline and the
20 beginning of construction at the earliest possible time; and be it

21 FURTHER RESOLVED that the Alaska State Legislature urges the Governor
22 to take the necessary action to assure that the interest of the State of
23 Alaska is fully represented before the Federal Power Commission or any other
24 federal agency having jurisdiction over the disposition of the gas produced
25 from state lands.
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Original sponsor: Rules Committee by request
of the Chairman, Joint Gas
Pipeline Impact Committee

Offered: 3/4/76
Referred: Rules

Parsons

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 CS FOR SENATE CONCURRENT RESOLUTION NO. 66
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 NINTH LEGISLATURE - SECOND SESSION

5 Relating to North Slope natural gas.

6 BE IS RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

7 WHEREAS the State of Alaska is presently in the process of planning and
8 developing options for the use and or sale of the state's North Slope royalty
9 gas; and

10 WHEREAS two of the existing four members of the Federal Power Commission
11 have publicly expressed their opinion that firm gas sale contracts should be
12 made prior to commission certification of any pipeline for the transportation
13 of North Slope natural gas; and

14 WHEREAS it is in the best interests of the state to retain as many op-
15 tions as possible for eventual intrastate use and sale of state North Slope
16 royalty gas; and

17 WHEREAS the first session of the Ninth Alaska Legislature passed HCR 31
18 endorsing the concept of a trans-Alaska natural gas pipeline; and

19 WHEREAS the Legislature reaffirms and continues, on the basis of the best
20 available information, to support the concept of a trans-Alaska natural gas
21 pipeline; and

22 WHEREAS any firm commitment of natural gas, by potential producers, to
23 customers or pipeline organizations dependent on a Canadian line routing
24 would be persuasive evidence to the Federal Power Commission in favor of a
25 Canadian line;

26 BE IT RESOLVED that the Alaska State Legislature request that all
27 potential producers of North Slope natural gas make no commitment for the
28 sale of the gas where a commitment might be detrimental to the certification
29 of a trans-Alaska natural gas pipeline; and be it

1 FURTHER RESOLVED that the Alaska State Legislature request that all
2 potential producers of North Slope natural gas make commitments, whenever
3 possible, in support of a trans-Alaska natural gas pipeline routing.

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Parsons

Original sponsor: Bowman, Bradner,
Brown, et al

Offered: 4/2/75
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 258 am S

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Gas Pipeline Impact Committee; and
7 providing for an effective date."

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

9 * Section 1. AS 31.30 is amended by adding new sections to read:

10 Sec. 31.30.040. GAS PIPELINE IMPACT COMMITTEE. There is created
11 the Gas Pipeline Impact Committee consisting of 12 members, appointed as
12 follows: six members of the house of representatives at least two of
13 whom shall be a member of the minority party appointed by the speaker of
14 the house; six members of the senate at least two of whom shall be a
15 member of the minority party appointed by the president of the senate.

16 Sec. 31.30.050. COMPENSATION. Members of the Gas Pipeline Impact
17 Committee receive the same travel pay and per diem as provided by law
18 for board members.

19 Sec. 31.30.060. STAFF. The committee may employ those persons
20 necessary to carry out the purposes of secs. 40 - 70 of this chapter,
21 including but not limited to regular or temporary employees, consul-
22 tants, and other experts in the field.

23 Sec. 31.30.070. DUTIES OF THE COMMITTEE. The Gas Pipeline Impact
24 Committee shall

25 (1) study route proposals by permit applicants to transport-
26 natural gas within or from the state, recommending a route which would
27 maximize the economic benefits to the state, consistent with the public
28 interest;

29 (2) study and recommend methods of state assistance and

1 involvement in the planning, development, and transportation of
2 natural gas;

3 (3) consider the feasibility of full or partial state owner-
4 ship of natural gas pipeline systems;

5 (4) determine means of receiving federal or other assistance
6 for the development and transportation of natural gas;

7 (5) do other things considered advisable for maximizing the
8 development of Alaska natural gas, consistent with the public interest,
9 and adhering to Alaska resident hire laws;

10 (6) recommend legislation to accomplish the provisions of
11 this section.

12 * Sec. 2. AS 39.50.200(9) is amended by adding a new subparagraph to
13 read:

14 (JJ) Gas Pipeline Impact Committee (AS 31.30.040)

15 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.
16 070(c).

17 * Sec. 4. This Act expires January 1, 1977.
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standards for the
agency information and
dissemination of intel-
ligence information, in-
cluding, correcting,
while maintaining the
information.

COMMISSION. The
law enforcement
the commission, in
certifying compliance
by the commission.

d:

REMEDIES. (a) A
dissemination of intel-
ligence information has
been or used, or intelli-
gently obtained or used, in
violation of action
and shall
reasonable attor-
ney costs.

disseminates or uses crimi-
nally disseminated or use to
knowingly collects,
in violation of
punishable by a fine of
for not more than

provisions of this
maintenance, dissem-
ination, or upon
described under this
action brought

adding a new paragraph

" means information
of associations of an
d by a law enforce-
ment or general in-
vestigation with the inves-
tigation committed nor
on in connection
e.



LAWS OF ALASKA

1976

Chapter No.

39

Secured

SB 685 am

AN ACT

Making a special appropriation to the Department of Natural Resources for the purpose of conducting negotiations with prospective purchasers of North Slope natural gas; and providing for an effective date.

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

Section 1. The sum of \$50,000 is appropriated from the general fund to the Department of Natural Resources for the purpose of conducting negotiations with prospective purchasers of North Slope natural gas, the results of any such negotiations to be reported to the legislature in writing within two weeks from effective date of this Act and thereafter on a monthly basis.

Sec. 2. This Act takes effect immediately in accordance with AS 01.10.070(c).

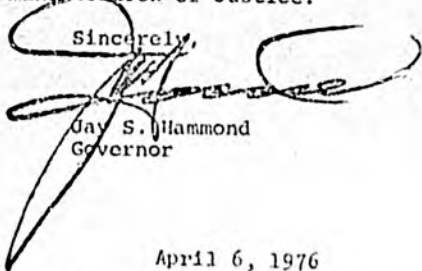
Permitted to become law without signature
Actual effective date: April 7, 1976

April 23, 1976

HB
417
am
S

I have several reservations about this bill including (1) concerns about its impact upon the ability of the Department of Public Safety to conduct criminal investigations, (2) the effect of the developing regulations soon to be promulgated by the U.S. Department of Justice regarding the collection, maintenance and dissemination of criminal justice information by state agencies receiving Law Enforcement Assistance Administration funding, and (3) questions raised by the bill about the appropriate legal responsibility of the Commission on the Administration of Justice.

Sincerely,



Jay S. Hammond
Governor

April 6, 1976

SB
685
am

The Honorable Chancy Croft
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:


I have allowed the following bill to become law without my signature and am transmitting the enrolled and engrossed copies to the Lieutenant Governor's Office for permanent filing:

SENATE BILL NO. 685
amended
(Chapter 39, SIA 1976)
(funds for negotiating natural gas sale)

My failing to sign the bill does not evidence a disapproval of either the appropriation or the additional requirement that the Administration keep the legislature informed about natural gas negotiation.

I have done so to evidence my concern about the appropriateness of combining an appropriation with a substantive statutory provision, as this bill does, so as to raise questions of its compliance with Article II, section 13 of the Alaska Constitution.

Sincerely,



Jay S. Hammond
Governor

April 23, 1976

April 22, 1976

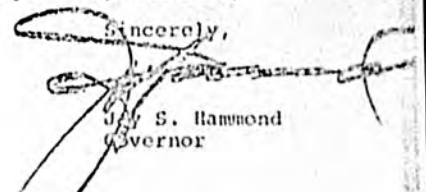
The Honorable Chancy Croft
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

I have signed the following bill and am transmitting the enrolled and engrossed copy to the Lieutenant Governor's Office for permanent filing:

SENATE BILL NO. 168
amended
(Chapter 40, SIA 1976)

Sincerely,



Jay S. Hammond
Governor

April 23, 1976

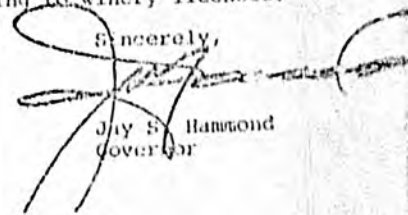
The Honorable Chancy Croft
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

I have allowed the following bill to become law without signature and am transmitting the enrolled and engrossed copies to the Lieutenant Governor's Office for permanent filing:

SENATE BILL NO. 682
amended
(Chapter 41, SIA 1976)
(Relating to winery licenses)

Sincerely,



Jay S. Hammond
Governor

mineral leasing, notice of the proposed action shall also be provided in §§ 305 and 345 of this chapter. After the notice of noncompetitive leasing has been made as required in this subsection, notice of the subsequent issuance of a noncompetitive lease for the tract involved shall be made by mail not less than 30 days before the issuance of the lease only to those who have requested the notice. (§ 1 art 4 ch 169 SLA 1959; am § 1 ch 30 SLA 1964; am § 1 ch 91 SLA 1967; am § 2 ch 71 SLA 1971; am § 10 ch 257 SLA 1976)

Effect of amendment. — The 1976 amendment added present subsection (b).
1284 (File Nos. 2551, 2587), 553 P.2d 8 (1976).
Cited in Moore v. State, Sup. Ct. Op. No.

Sec. 38.05.145. Leasing procedure.

Applied in Moore v. State, Sup. Ct. Op. No. 1284 (File Nos. 2551, 2587), 553 P.2d 8 (1976).

Sec. 38.05.180. Oil and gas.

Commissioner empowered to grant royalty reduction. — This section empowers the commissioner of the Department of Natural Resources, not the director, division of lands, to grant the specified royalty reduction. Union Pacific v. State Dep't of Natural Resources, Sup. Ct. Op. No. 1087 (File No. 2025), 536 P.2d 1117 (1974).

Sec. 38.05.181. Geothermal resources.

(b) *Land survey and classification.* (1) Because of the absence of detailed geothermal mapping and the limited geochemical, geological or geophysical knowledge of the state's geothermal resources that is available, a survey of geothermal resources shall be included in the complete geological survey of the state authorized by AS 41.08.020, and a statement of the progress of the geothermal resources survey shall be contained in the annual report required by that section.

(2) The classification of known geothermal resources areas, each of which shall contain at least one well capable of producing geothermal resources in commercial quantities, shall be made by the commissioner upon recommendations of the director, the state geologist or the United States Geological Survey under AS 41.08.040.

(3) Within 125 days after August 15, 1971, the commissioner shall publish a statement of all lands which were included within any known geothermal resources areas on August 15, 1971. He shall also publish from time to time his determination of other known geothermal resources areas specifying in each case the date the lands were included in the area.

(s) *Short title.* This section shall be known and cited as "AS 38.05.182" (am §§ 40, 41 ch 127 S)

Effect of amendment.
The 1974 amendment substituted "AS 41.07.020" for "AS 41.07.010" in the middle of subsection (b) and substituted "AS 41.07.010" for "AS 41.07.020" in subsection (b) (2) and deleted "AS 41.07.010" from the end of subsection (b) (2).

Sec. 38.05.182. Royalty reduction. Royalty reduction for in §§ 135 — 181 of this chapter, or the money if the commissioner and Gas Development Board, determines the kind would be in the kind of this chapter. (§ 1 ch 9 SSSLA 1974; am § 10 ch 257 SLA 1976)

Effect of amendment.
The 1974 amendment substituted "AS 38.05.182" for "AS 38.05.181" in the middle of the first sentence of the second sentence.

Sec. 38.05.183. State lease. The disposal of a mineral right to receive this chapter, or the disposal made to the bidding is not required approval of the Board where applicable does not require it.

(b) When competitive prior written approval of the Advisory Board, the amount of the bid or for reasons connected with the acceptance of the bid.

(c) If the commissioner determines the disposal of a mineral right to receive this chapter or of a state lease under

SUPPLEMENT

Commissioner of economic development... the first sentence.

liem, travel expenses. Members... under AS 39.25.110 and... as provided by law for... LA 1974)

rum, votes required; conflict of... s own rules of procedure... the chairman, and at other times... majority of the board members... majority of the members of the... ers shall be recorded. Efforts... under this chapter requires... ard members. No board member... e board, vote for or on behalf of

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has the power to... ral resources to solicit inquiries... s for the sale, exchange or other... by the state as a royalty or... or other disposal in whole or part... production or both under a state... established by the board;

es or other disposals of oil or gas... yalty under AS 38.05.182, or... ction or both under a state law... isapproving the proposed sta

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re reasonably necessary in the... pter. (§ 2 ch 9 SSSLA 1974)

§ 38.06.050

PUBLIC LANDS

§ 38.06.070

Sec. 38.06.050. Board approval required. (a) No sale, exchange, encumbrance, or other disposition of oil or gas or of the rights or waiver of the rights to receive future production of royalty oil or gas may be made by the commissioner of natural resources under AS 38.05.183 without the prior written approval of the board.

(b) Bids or applications for the purchase of royalty oil or gas may not be rejected by the commissioner of natural resources without the prior written approval of the board.

(c) Competitive bidding in a sale, exchange or other disposition described in (a) of this section may not be waived by the commissioner of natural resources under AS 38.05.183 without the prior written approval of the board.

(d) The board may require conditions relating to the sale, delivery, transportation, or refining or processing within the state to be included by the commissioner of natural resources in the offer of and sale by competitive bidding of oil or gas obtained by the state as royalty under AS 38.05.182. (§ 2 ch 9 SSSLA 1974)

Sec. 38.06.055. Action by legislature. (a) In addition to the approval by the board required under § 50 of this chapter, no sale, exchange or other disposition of oil or gas or of the rights or waiver of the rights to receive future production of royalty oil or gas may be made by the commissioner of natural resources under AS 38.05.183 without the prior approval of the legislature by a concurrent resolution concurred in by a majority of the members of each house.

(b) Until July 1, 1975, contracts for the sale of state-owned royalty gas or oil that specify the sale and delivery of not more than 400 barrels of crude oil per day or not more than 460 barrels of natural gas liquids per day or not more than 2,400 Mcf of natural gas per day may be executed without ratification by the legislature. (§ 2 ch 9 SSSLA 1974)

Sec. 38.06.060. Confidentiality. Notwithstanding AS 09.25.110 — 09.25.120, the board may provide by regulation for the confidentiality of those documents and records in its possession or control which contain confidential business or marketing information the protection of which is essential to the person who has submitted them to the board or in the judgment of the board is essential to the best interest of the state. Such confidentiality, however, shall not preclude the proper review by the legislature. (§ 2 ch 9 SSSLA 1974)

Sec. 38.06.070. Criteria. (a) In the exercise of its powers under § 40(1) — (2) and § 50 of this chapter the board shall consider

- (1) the revenue needs and projected fiscal condition of the state;
- (2) the existence and extent of present and projected local and regional needs for oil and gas products and by-products, the effect of state or federal commodity allocation requirements which might be applicable to those products and by-products, and the priorities among competing needs;

See CS instead

Introduced: 1/29/76
Referred: Resources

BY THE RULES COMMITTEE BY
REQUEST OF THE CHAIRMAN, JOINT
GAS PIPELINE IMPACT COMMITTEE

1 IN THE SENATE

2 SENATE CONCURRENT RESOLUTION NO. 66

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 Relating to North Slope natural gas.

6 BE IS RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

7 WHEREAS the State of Alaska is presently in the process of planning and
8 developing options for the use and or sale of the state's North Slope royalty
9 gas; and

10 WHEREAS two of the existing four members of the Federal Power Commission
11 have publicly expressed their opinion that firm gas sale contracts should be
12 made prior to commission certification of any pipeline for the transportation
13 of North Slope natural gas; and

14 WHEREAS it is in the best interests of the state to retain as many op-
15 tions as possible for eventual use and sale of state North Slope royalty gas;
16 and

17 WHEREAS the first session of the Ninth Alaska Legislature passed HCR 31
18 endorsing the concept of a trans-Alaska natural gas pipeline; and

19 WHEREAS the Legislature reaffirms and continues, on the basis of the best
20 available information, to support the concept of a trans-Alaska natural gas
21 pipeline; and

22 WHEREAS any firm commitment of natural gas, by potential producers, to
23 customers or pipeline organizations dependent on a Canadian line routing would
24 be persuasive evidence to the Federal Power Commission in favor of a Canadian
25 line;

26 BE IT RESOLVED that the Alaska State Legislature request that all poten-
27 tial producers of North Slope natural gas make no commitment for the sale of
28 the gas where a commitment might be detrimental to the certification of a
29 trans-Alaska natural gas pipeline; and be it

1 FURTHER RESOLVED that the Alaska State Legislature request that all po-
2 tential producers of North Slope natural gas make commitments, whenever
3 possible, in support of a trans-Alaska natural gas pipeline routing.
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Introduced: 2/11/75
Referred: Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 146

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Natural Resources, Alaska Royalty Oil and
8 Gas Development Advisory Board; and providing for an
9 effective date."

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

11 * Section 1. The sum of \$14,200 is appropriated from the general fund
12 to the Department of Natural Resources to fund the Alaska Royalty Oil and
13 Gas Development Advisory Board for the fiscal year ending June 30, 1975.

14 * Sec. 2. This Act takes effect immediately in accordance with AS 01.
15 10.070(c).

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BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE CONCURRENT RESOLUTION NO. 106

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 Relating to the taking of
6 state-owned royalty oil or gas
7 in-kind and its disposal by sale.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 WHEREAS the legislature by enactment of the Alaska Royalty Oil and Gas
10 Development Board statute, AS 38.06. et seq., has established a clear policy
11 of favoring the taking of state-owned royalty oil or gas in-kind and making
12 that royalty available for in-state uses; and

13 WHEREAS the State of Alaska presently receives a one-eighth royalty on
14 gas produced from the North Cook Inlet Gas Field in value, but has the
15 right to receive this royalty in-kind; and

16 WHEREAS the commissioner of natural resources has entered into a
17 contract for the sale and purchase of state-owned royalty gas from the
18 North Cook Inlet Gas Field with Alaska Pipeline Company, an Alaskan corpora-
19 tion which sells natural gas in the Anchorage and North Kenai Road areas; and

20 WHEREAS the contract between the State of Alaska and Alaska Pipeline
21 Company requires as a condition precedent to its becoming effective appro-
22 val by a majority of each house of the Legislature;

23 BE IT RESOLVED by the Alaska State Legislature that approval of
24 Alaska Royalty Gas Sale No. 76-1, the contract for the sale of state
25 royalty gas from the North Cook Inlet Gas Field to Alaska Pipeline Company,
26 is hereby approved.

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April 23, 1976

HB
417
am
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I have several reservations about this bill including (1) concerns about its impact upon the ability of the Department of Public Safety to conduct criminal investigations, (2) the effect of the developing regulations soon to be promulgated by the U.S. Department of Justice regarding the collection, maintenance and dissemination of criminal justice information by state agencies receiving Law Enforcement Assistance Administration funding, and (3) questions raised by the bill about the appropriate legal responsibility of the Commission on the Administration of Justice.

Sincerely,

Jay S. Hammond
Governor

April 6, 1976

SB
685
am

The Honorable Chancy Croft
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

I have allowed the following bill to become law without my signature and am transmitting the enrolled and engrossed copies to the Lieutenant Governor's Office for permanent filing:

SENATE BILL NO. 685
amended

(Chapter 39, SLA 1976)

(funds for negotiating natural gas sale)

My failing to sign the bill does not evidence a disapproval of either the appropriation or the additional requirement that the Administration keep the legislature informed about natural gas negotiation.

I have done so to evidence my concern about the appropriateness of combining an appropriation with a substantive statutory provision, as this bill does, so as to raise questions of its compliance with Article II, section 13 of the Alaska Constitution.

Sincerely,

Jay S. Hammond
Governor

April 23, 1976

April 22, 1976

The Honorable Chancy Croft
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

I have signed the following bill and am transmitting the enrolled and engrossed copy to the Lieutenant Governor's Office for permanent filing:

SENATE BILL NO. 168
amended
(Chapter 40, SLA 1976)

Sincerely,

Jay S. Hammond
Governor

April 23, 1976

The Honorable Chancy Croft
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

I have allowed the following bill to become law without signature and am transmitting the enrolled and engrossed copies to the Lieutenant Governor's Office for permanent filing:

SENATE BILL NO. 602
amended
(Chapter 41, SLA 1976)
(Relating to winery licenses)

Sincerely,

Jay S. Hammond
Governor

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OMMISSION. The
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LAWS OF ALASKA

1976

Chapter No.

39

Source
SB 685 am

AN ACT

Making a special appropriation to the Department of Natural Resources for the purpose of conducting negotiations with prospective purchasers of North Slope natural gas; and providing for an effective date.

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

■ Section 1. The sum of \$50,000 is appropriated from the general fund to the Department of Natural Resources for the purpose of conducting negotiations with prospective purchasers of North Slope natural gas, the results of any such negotiations to be reported to the legislature in writing within two weeks from effective date of this Act and thereafter on a monthly basis.

■ Sec. 2. This Act takes effect immediately in accordance with AS 01.10.070(c).

Permitted to become law without signature
Actual effective date: April 7, 1976

Personal

Original sponsor: Bowman, Bradner,
Brown, et al

Offered: 4/2/75
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

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CS FOR HOUSE BILL NO. 258 am S
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act creating the Gas Pipeline Impact Committee; and
providing for an effective date."

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

* Section 1. AS 31.30 is amended by adding new sections to read:

Sec. 31.30.040. GAS PIPELINE IMPACT COMMITTEE. There is created the Gas Pipeline Impact Committee consisting of 12 members, appointed as follows: six members of the house of representatives at least two of whom shall be a member of the minority party appointed by the speaker of the house; six members of the senate at least two of whom shall be a member of the minority party appointed by the president of the senate.

Sec. 31.30.050. COMPENSATION. Members of the Gas Pipeline Impact Committee receive the same travel pay and per diem as provided by law for board members.

Sec. 31.30.060. STAFF. The committee may employ those persons necessary to carry out the purposes of secs. 40 - 70 of this chapter, including but not limited to regular or temporary employees, consultants, and other experts in the field.

Sec. 31.30.070. DUTIES OF THE COMMITTEE. The Gas Pipeline Impact Committee shall

(1) study route proposals by permit applicants to transport-natural gas within or from the state, recommending a route which would maximize the economic benefits to the state, consistent with the public interest;

(2) study and recommend methods of state assistance and

1 involvement in the planning, development, and transportation of
2 natural gas;

3 (3) consider the feasibility of full or partial state owner-
4 ship of natural gas pipeline systems;

5 (4) determine means of receiving federal or other assistance
6 for the development and transportation of natural gas;

7 (5) do other things considered advisable for maximizing the
8 development of Alaska natural gas, consistent with the public interest,
9 and adhering to Alaska resident hire laws;

10 (6) recommend legislation to accomplish the provisions of
11 this section.

12 * Sec. 2. AS 39.50.200(9) is amended by adding a new subparagraph to
13 read:

14 (JJ) Gas Pipeline Impact Committee (AS 31.30.040)

15 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.
16 070(c).

17 * Sec. 4. This Act expires January 1, 1977.
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Original sponsor: Rules Committee by request
of the Chairman, Joint Gas
Pipeline Impact Committee

Offered: 3/4/76
Referred: Rules

Panel

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 CS FOR SENATE CONCURRENT RESOLUTION NO. 66
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 NINTH LEGISLATURE - SECOND SESSION

5 Relating to North Slope natural gas.

6 BE IS RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

7 WHEREAS the State of Alaska is presently in the process of planning and
8 developing options for the use and or sale of the state's North Slope royalty
9 gas; and

10 WHEREAS two of the existing four members of the Federal Power Commission
11 have publicly expressed their opinion that firm gas sale contracts should be
12 made prior to commission certification of any pipeline for the transportation
13 of North Slope natural gas; and

14 WHEREAS it is in the best interests of the state to retain as many op-
15 tions as possible for eventual intrastate use and sale of state North Slope
16 royalty gas; and

17 WHEREAS the first session of the Ninth Alaska Legislature passed HCR 31
18 endorsing the concept of a trans-Alaska natural gas pipeline; and

19 WHEREAS the Legislature reaffirms and continues, on the basis of the best
20 available information, to support the concept of a trans-Alaska natural gas
21 pipeline; and

22 WHEREAS any firm commitment of natural gas, by potential producers, to
23 customers or pipeline organizations dependent on a Canadian line routing
24 would be persuasive evidence to the Federal Power Commission in favor of a
25 Canadian line;

26 BE IT RESOLVED that the Alaska State Legislature request that all
27 potential producers of North Slope natural gas make no commitment for the
28 sale of the gas where a commitment might be detrimental to the certification
29 of a trans-Alaska natural gas pipeline; and be it

1 FURTHER RESOLVED that the Alaska State Legislature request that all
2 potential producers of North Slope natural gas make commitments, whenever
3 possible, in support of a trans-Alaska natural gas pipeline routing.
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Passed

BY FISCHER, ANDERSON, BOWMAN, BRADNER,
BROWN, DAVIS, DUNCAN, FINK, FREEMAN,
GUY, KELLEY MCKINNON, OSTERBACK,
PARKER, PARR, RHODE AND SWANSON

1 IN THE HOUSE

2 HOUSE CONCURRENT RESOLUTION NO. 31

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 Relating to the proposed trans-Alaska
6 gas pipeline.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS the United States is experiencing a serious energy crisis; and

9 WHEREAS the State of Alaska has vast known and yet undiscovered natural
10 resources, the wise development of which will serve to reduce this crisis;
11 and

12 WHEREAS the economic viability of the State of Alaska is dependent to a
13 large extent upon the development of its natural resources; and

14 WHEREAS it is in the best interests of the state and the country to
15 initiate and support those programs and projects which will ensure the expedi-
16 tious and wise development of these necessary resources; and

17 WHEREAS alternative trans-Alaskan or trans-Canadian pipeline proposals
18 have been made for the transportation of the natural gas from the North Slope
19 and

20 WHEREAS a trans-Alaska natural gas pipeline has numerous and significant
21 benefits to the state and the nation, such as:

22 (1) the line would be entirely within the United States and not
23 subject to the interests or partial control of a foreign government, however
24 friendly;

25 (2) the line will cross geological basins which will possibly open
26 new areas to exploration and development;

27 (3) it would provide employment of Alaskans and other citizens of
28 the United States in the operation and maintenance of the gas pipeline and
29 related facilities after the construction phase has ended and create

1 additional jobs in supporting industries;

2 (4) the pipeline would, directly and indirectly, create a large
3 and significant permanent tax base for the State of Alaska and its cities
4 and boroughs and would improve the nation's balance of payments;

5 (5) a trans-Alaska line could probably be completed much sooner,
6 thus ensuring an earlier supply of natural gas to the United States;

7 (6) it would promote additional industrial development and conse-
8 quent employment within many areas of Alaska through the use of natural gas
9 as an energy source and provide for the needs of existing industry;

10 (7) the environmental impact in Alaska would be minimized;

11 (8) delivery of Alaska natural gas to the west coast of the United
12 States will permit diversion of existing gas supplies to the midwest and
13 eastern United States markets to assist in providing those markets with ade-
14 quate supplies at moderate prices;

15 BE IT RESOLVED by the Alaska State Legislature that it supports the
16 construction of a trans-Alaska natural gas pipeline, generally following the
17 planned trans-Alaska oil pipeline, and strongly urges the Governor to make
18 available all of the resources at his command to ensure an early favorable
19 decision regarding the proposed trans-Alaska natural gas pipeline and the
20 beginning of construction at the earliest possible time; and be it

21 FURTHER RESOLVED that the Alaska State Legislature urges the Governor
22 to take the necessary action to assure that the interest of the State of
23 Alaska is fully represented before the Federal Power Commission or any other
24 federal agency having jurisdiction over the disposition of the gas produced
25 from state lands.
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See CS instead

Introduced: 1/29/76
Referred: Resources

BY THE RULES COMMITTEE BY
REQUEST OF THE CHAIRMAN, JOINT
GAS PIPELINE IMPACT COMMITTEE

1 IN THE SENATE

2 SENATE CONCURRENT RESOLUTION NO. 66

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 Relating to North Slope natural gas.

6 BE IS RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

7 WHEREAS the State of Alaska is presently in the process of planning and
8 developing options for the use and or sale of the state's North Slope royalty
9 gas; and

10 WHEREAS two of the existing four members of the Federal Power Commission
11 have publicly expressed their opinion that firm gas sale contracts should be
12 made prior to commission certification of any pipeline for the transportation
13 of North Slope natural gas; and

14 WHEREAS it is in the best interests of the state to retain as many op-
15 tions as possible for eventual use and sale of state North Slope royalty gas;
16 and

17 WHEREAS the first session of the Ninth Alaska Legislature passed HCR 31
18 endorsing the concept of a trans-Alaska natural gas pipeline; and

19 WHEREAS the Legislature reaffirms and continues, on the basis of the best
20 available information, to support the concept of a trans-Alaska natural gas
21 pipeline; and

22 WHEREAS any firm commitment of natural gas, by potential producers, to
23 customers or pipeline organizations dependent on a Canadian line routing would
24 be persuasive evidence to the Federal Power Commission in favor of a Canadian
25 line;

26 BE IT RESOLVED that the Alaska State Legislature request that all poten-
27 tial producers of North Slope natural gas make no commitment for the sale of
28 the gas where a commitment might be detrimental to the certification of a
29 trans-Alaska natural gas pipeline; and be it

JOURNAL
SUPPLEMENT

March 3, 1976

SENATE

No. 7

February 27, 1976

Senator Chancy Croft
President of the Senate
Alaska State Legislature
State Capitol, Pouch V
Juneau, Alaska 99811

Representative Mike Bradner
Speaker of the House
Alaska State Legislature
State Capitol, Pouch V
Juneau, Alaska 99811

RE: Interim Report of the Joint Gas Pipeline Impact Committee

Dear Mr. President and Mr. Speaker:

Please consider this to be a letter of transmittal of the Interim Report of the Joint Gas Pipeline Impact Committee existing pursuant to H.B. 258 "The Gas Pipeline Impact Committee", Chapter 170 SLA 75. I request that this letter of transmittal, together with the report, be read into the appropriate Journal in each house.

As an aid to the interpretation of the Interim Report, I submit the following as being my understanding of the sense of the Committee:

1. The Committee does not intend to suggest that the Commissioner of Natural Resources or the Royalty Board enter into unreasonable agreements with prospective purchasers. It is the sense of the Committee that Alaska should indicate that it is a "willing seller" of a portion of its gas and is seeking a "willing buyer" on terms which will reserve as much gas as possible for future use to meet Alaska's internal domestic and other needs. The Committee would expect the executive to negotiate the best possible agreement. Understanding, that when such an agreement is negotiated, it may or may not be acceptable to the Legislature. It may be that the executive will negotiate the best possible agreement, at the same time recommending against its implementation on the basis that too little is received by the State and too much given by the State. We believe that it is imperative, however, in the conduct of the people's business, that such a tentative agreement be made public and its merits debated.
2. We do not wish to tie our negotiator's hands by quantifying the word "substantial" as used in paragraph #7 in the Committee's findings, and paragraph #1 of the Committee's recommendations.
3. The Committee does not suggest an arbitrary time deadline for our executive negotiators. We do point out, however, for the agreement to be finalized, legislative approval is necessary and a special session should be avoided if possible.

SUPPLEMENT

4. We do not intend in any manner to preclude negotiations for use of royalty gas within the State of Alaska and the further exploration of petrochemical and domestic uses. The major thrust of the Committee's recommendations is based on the belief that a Trans-Alaska pipeline is essential for future domestic and petrochemical in-state use options of North Slope gas.

5. Pursuant to other action by the Committee, the following have been introduced by the respective Rules Committee by request:

- SCR 85/HCR 107 "Relating to the Impact on Alaska of a Trans-Canada Gas Transportation System"
- SB 685/HB 848 "An Act Making a Special Appropriation to the Department of Natural Resources for the Purpose of Conducting Negotiations with Prospective Purchasers of North Slope Natural Gas and Providing for an Effective Date"
- SB 686/HB 850 "An Act Relating to Waste of Oil and Gas and Providing for an Effective Date"
- SB 687/HB 849 "An Act Relating to the Leases of State Land for Oil and Gas into taking of Royalty Gas from them and Providing for an Effective Date"

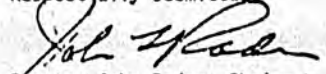
6. Finally, and most importantly, our recommendations are based on the facts and circumstances as they exist today.

The situation may change at any time rendering the presently recommended strategy inappropriate. For example, it has been suggested that the Federal Power Commission may conduct allocation proceedings nullifying contractual sales commitments. Gas may be more or less deregulated. The recent request of the President for authority to make the final route decision subsequent to January 1, 1977 may effect the political climate. It may be determined, as has been suggested by some, that neither the Trans-Alaska nor the Trans-Canada line are economically feasible at this time.

The recommendations of the Committee rely strongly on the advice of our consultant, Mr. Rush Moody, recently Vice-Chairman of the Federal Power Commission. The strategy may only be appropriate if the Federal Power Commission closes the certification hearings in May according to its present schedule and further certifies one route based on the precedents, principles, and considerations customarily employed in past certification proceedings admittedly more limited in scope and of much less national significance.

The opportunity to use royalty gas to accomplish our public purposes as we perceive them may be lost unless we have substantially negotiated possible sale terms and are ready to move if and when the time arrives - which may be very soon.

Respectfully submitted,


Senator John Rader, Chairman
Gas Pipeline Impact Committee

JR/kb

SUPPLEMENT

INTERIM REPORT
OF THE
JOINT GAS PIPELINE IMPACT COMMITTEE

This Committee, through public hearings and staff investigation, has become convinced that immediate action by the State of Alaska is essential if the citizens of this State are to receive maximum benefit from the State's natural gas resource.

The Committee will issue a full and complete report on its findings and recommendations at a later date, but is impelled to submit this interim report to the Legislature and the people of the State of Alaska because of the urgency of the present situation.

The Committee finds and concludes the following:

1. A federal decision authorizing the transportation of North Slope natural gas across Canada would be inimical to the interests of the State of Alaska. The State's resource would be drained, its people denied access to a premium fuel and raw material, its work force deprived of employment opportunities, and productive economic growth would be thwarted.
2. A federal decision authorizing the transportation of North Slope natural gas across the State of Alaska to an open port will serve the best interests of the State.
3. The level of benefits, and burdens reasonably to be expected by the State as a consequence of any decision on a North Slope gas transportation system are of such magnitude that the routing decision must be regarded as critical to the future of the State. Action to secure a Trans-Alaska routing must be pursued as expeditiously as possible; no reasonable step should be left untaken.
4. The position of the state as owner of a one-eighth royalty in natural gas and natural gas liquids produced from State-owned lands on the North Slope creates an immediate opportunity for effective State action which can assist in securing a Trans-Alaska transportation system.

5. Affirmative, aggressive action by the Governor, the Commissioner of Natural Resources, the State Royalty Board, and the Legislature with respect to the State's royalty gas is imperative.
6. Effective use of the State's royalty gas, to serve the best interests of the State, requires:
 - a. The State must elect to take its royalty share of natural gas and natural gas liquids in kind.
 - b. The State must commit a portion of its royalty gas to purchasers who will assist in securing approval of a Trans-Alaska transportation system, and who will thereafter utilize such a Trans-Alaska system.
7. Present levels of natural gas demand in Alaska permit a commitment of a portion of the State's royalty gas to purchasers outside the State; while every effort must be made to retain a substantial part of Alaska's gas for present and future in-state needs, it is in the overall best interests of the State to offer for sale outside the State, a substantial portion of the State's royalty gas to purchasers who can, and will, assist in securing authorization of a Trans-Alaska transportation system.
8. Those persons and firms interested in the construction and operation of a Trans-Alaska transportation system can materially alleviate State unemployment problems, and the State should, in striking a bargain for the commitment of State resources to a Trans-Alaska system, secure appropriate commitments for the hire and training of Alaska residents in the construction and operation of such a system.
9. Finally, the risk that non-action by the State, or delayed action by the State, will cause the selection of a Trans-Canadian routing, and the risk that the State will lose substantial benefit of its natural gas resource are so great, it is the sense of this Committee that State action must not be delayed.

BY REASON OF THE FOREGOING, IT IS THE RECOMMENDATION OF THIS COMMITTEE THAT:

1. The commissioner of Natural Resources and the State Royalty Board should undertake immediate negotiations with interested out-of-state purchasers to reach definitive sales and/or exchange agreements covering disposition of substantial portions of the State's royalty gas on the best obtainable terms.
2. The Commissioner of Natural Resources and the State Royalty Board should undertake immediate negotiations with natural gas transporters involved in the proposal for a Trans-Alaska system to reach definitive transportation agreements covering the State's royalty gas sold for out-of-state use, and the State's withdrawal of the unsold portion of its royalty gas from the system for in-state use; appropriate commitments should be obtained with respect to hire and training of Alaska residents.
3. The arrangements and agreements so negotiated should be presented to the Legislature for ratification prior to the end of the Second Session of the Ninth Legislature to avoid, if possible, a special session.
4. The Legislature should hold itself ready for immediate consideration of and prompt action on, the recommendations of the Commissioner and Board.
5. Such arrangements, contracts, and agreements as are negotiated by the Commissioner and Board and approved by the Legislature should be incorporated into the pending applications for a Trans-Alaska transportation system, presented to the Federal Power Commission by the appropriate transporter-applicant, and approval thereof obtained in the pending Federal Power Commission proceedings.
6. The Legislature should adopt SCR 66 and further seek the active cooperation of all owners of North Slope gas in support of the Trans-Alaska pipeline route.

JOURNAL
SUPPLEMENT

March 3, 1976

SENATE

No. 7

February 27, 1976

Senator Chancy Croft
President of the Senate
Alaska State Legislature
State Capitol, Pouch V
Juneau, Alaska 99811

Representative Mike Bradner
Speaker of the House
Alaska State Legislature
State Capitol, Pouch V
Juneau, Alaska 99811

RE: Interim Report of the Joint Gas Pipeline Impact Committee

Dear Mr. President and Mr. Speaker:

Please consider this to be a letter of transmittal of the Interim Report of the Joint Gas Pipeline Impact Committee existing pursuant to H.B. 258 "The Gas Pipeline Impact Committee", Chapter 170 SLA 75. I request that this letter of transmittal, together with the report, be read into the appropriate Journal in each house.

As an aid to the interpretation of the Interim Report, I submit the following as being my understanding of the sense of the Committee:

1. The Committee does not intend to suggest that the Commissioner of Natural Resources or the Royalty Board enter into unreasonable agreements with prospective purchasers. It is the sense of the Committee that Alaska should indicate that it is a "willing seller" of a portion of its gas and is seeking a "willing buyer" on terms which will reserve as much gas as possible for future use to meet Alaska's internal domestic and other needs. The Committee would expect the executive to negotiate the best possible agreement. Understanding, that when such an agreement is negotiated, it may or may not be acceptable to the Legislature. It may be that the executive will negotiate the best possible agreement, at the same time recommending against its implementation on the basis that too little is received by the State and too much given by the State. We believe that it is imperative, however, in the conduct of the people's business, that such a tentative agreement be made public and its merits debated.
2. We do not wish to tie our negotiator's hands by quantifying the word "substantial" as used in paragraph #7 in the Committee's findings, and paragraph #1 of the Committee's recommendations.
3. The Committee does not suggest an arbitrary time deadline for our executive negotiators. We do point out, however, for the agreement to be finalized, legislative approval is necessary and a special session should be avoided if possible.

4. We do not intend in any manner to preclude negotiations for use of royalty gas within the State of Alaska and the further exploration of petrochemical and domestic uses. The major thrust of the Committee's recommendations is based on the belief that a Trans-Alaska pipeline is essential for future domestic and petrochemical in-state use options of North Slope gas.
5. Pursuant to other action by the Committee, the following have been introduced by the respective Rules Committee by request:

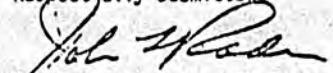
SCR 85/HCR 107	"Relating to the Impact on Alaska of a Trans-Canada Gas Transportation System"
SB 685/HB 848	"An Act Making a Special Appropriation to the Department of Natural Resources for the Purpose of Conducting Negotiations with Prospective Purchasers of North Slope Natural Gas and Providing for an Effective Date"
SB 686/HB 850	"An Act Relating to Waste of Oil and Gas and Providing for an Effective Date"
SD 687/HB 849	"An Act Relating to the Leases of State Land for Oil and Gas into taking of Royalty Gas from them and Providing for an Effective Date"
6. Finally, and most importantly, our recommendations are based on the facts and circumstances as they exist today.

The situation may change at any time rendering the presently recommended strategy inappropriate. For example, it has been suggested that the Federal Power Commission may conduct allocation proceedings nullifying contractual sales commitments. Gas may be more or less deregulated. The recent request of the President for authority to make the final route decision subsequent to January 1, 1977 may effect the political climate. It may be determined, as has been suggested by some, that neither the Trans-Alaska nor the Trans-Canada line are economically feasible at this time.

The recommendations of the Committee rely strongly on the advice of our consultant, Mr. Rush Moody, recently Vice-Chairman of the Federal Power Commission. The strategy may only be appropriate if the Federal Power Commission closes the certification hearings in May according to its present schedule and further certifies one route based on the precedents, principles, and considerations customarily employed in past certification proceedings admittedly more limited in scope and of much less national significance.

The opportunity to use royalty gas to accomplish our public purposes as we perceive them may be lost unless we have substantially negotiated possible sale terms and are ready to move if and when the time arrives - which may be very soon.

Respectfully submitted,


 Senator John Rader, Chairman
 Gas Pipeline Impact Committee

JR/kb

INTERIM REPORT
 OF THE
 JOINT GAS PIPELINE IMPACT COMMITTEE

This Committee, through public hearings and staff investigation, has become convinced that immediate action by the State of Alaska is essential if the citizens of this State are to receive maximum benefit from the State's natural gas resource.

The Committee will issue a full and complete report on its findings and recommendations at a later date, but is impelled to submit this interim report to the Legislature and the people of the State of Alaska because of the urgency of the present situation.

The Committee finds and concludes the following:

1. A federal decision authorizing the transportation of North Slope natural gas across Canada would be inimical to the interests of the State of Alaska. The State's resource would be drained, its people denied access to a premium fuel and raw material, its work force deprived of employment opportunities, and productive economic growth would be thwarted.
2. A federal decision authorizing the transportation of North Slope natural gas across the State of Alaska to an open port will serve the best interests of the State.
3. The level of benefits, and burdens reasonably to be expected by the State as a consequence of any decision on a North Slope gas transportation system are of such magnitude that the routing decision must be regarded as critical to the future of the State. Action to secure a Trans-Alaska routing must be pursued as expeditiously as possible; no reasonable step should be left untaken.
4. The position of the state as owner of a one-eighth royalty in natural gas and natural gas liquids produced from State-owned lands on the North Slope creates an immediate opportunity for effective State action which can assist in securing a Trans-Alaska transportation system.

5. Affirmative, aggressive action by the Governor, the Commissioner of Natural Resources, the State Royalty Board, and the Legislature with respect to the State's royalty gas is imperative.
6. Effective use of the State's royalty gas, to serve the best interests of the State, requires:
 - a. The State must elect to take its royalty share of natural gas and natural gas liquids in kind.
 - b. The State must commit a portion of its royalty gas to purchasers who will assist in securing approval of a Trans-Alaska transportation system, and who will thereafter utilize such a Trans-Alaska system.
7. Present levels of natural gas demand in Alaska permit a commitment of a portion of the State's royalty gas to purchasers outside the State; while every effort must be made to retain a substantial part of Alaska's gas for present and future in-state needs, it is in the overall best interests of the State to offer for sale outside the State, a substantial portion of the State's royalty gas to purchasers who can, and will, assist in securing authorization of a Trans-Alaska transportation system.
8. Those persons and firms interested in the construction and operation of a Trans-Alaska transportation system can materially alleviate State unemployment problems, and the State should, in striking a bargain for the commitment of State resources to a Trans-Alaska system, secure appropriate commitments for the hire and training of Alaska residents in the construction and operation of such a system.
9. Finally, the risk that non-action by the State, or delayed action by the State, will cause the selection of a Trans-Canadian routing, and the risk that the State will lose substantial benefit of its natural gas resource are so great, it is the sense of this Committee that State action must not be delayed.

BY REASON OF THE FOREGOING, IT IS THE RECOMMENDATION OF THIS COMMITTEE THAT:

1. The commissioner of Natural Resources and the State Royalty Board should undertake immediate negotiations with interested out-of-state purchasers to reach definitive sales and/or exchange agreements covering disposition of substantial portions of the State's royalty gas on the best obtainable terms.
2. The Commissioner of Natural Resources and the State Royalty Board should undertake immediate negotiations with natural gas transporters involved in the proposal for a Trans-Alaska system to reach definitive transportation agreements covering the State's royalty gas sold for out-of-state use, and the State's withdrawal of the unsold portion of its royalty gas from the system for in-state use; appropriate commitments should be obtained with respect to hire and training of Alaska residents.
3. The arrangements and agreements so negotiated should be presented to the Legislature for ratification prior to the end of the Second Session of the Ninth Legislature to avoid, if possible, a special session.
4. The Legislature should hold itself ready for immediate consideration of and prompt action on, the recommendations of the Commissioner and Board.
5. Such arrangements, contracts, and agreements as are negotiated by the Commissioner and Board and approved by the Legislature should be incorporated into the pending applications for a Trans-Alaska transportation system, presented to the Federal Power Commission by the appropriate transporter-applicant, and approval thereof obtained in the pending Federal Power Commission proceedings.
6. The Legislature should adopt SCR 66 and further seek the active cooperation of all owners of North Slope gas in support of the Trans-Alaska pipeline route.

1/31/77

LIST OF FORMAL DOCUMENTS EXPRESSING LEGISLATIVE INTENT
ON GAS LINE ISSUE

prepared for House & Senate Special Committees on Royalty Sale

BILLS

CS HB 258 am S (170 SLA 75)
Creates Gas Pipeline Impact Committee

SB 685 am (39 SLA 76)
Appropriation to Dept. Natural Resources to negotiate with
prospective purchasers

RESOLUTIONS

HCR 31 (passed 5/8/75)
Supports Trans-Alaska gas route and urges the Governor to
act accordingly

CS SCR 66 (passed 4/12/76)
Requests Prudhoe producers to make no commitments of gas
detrimental to the El Paso route

COMMITTEE REPORT

"Interim Report of the Joint Gas Pipeline Impact Committee"
and meeting minutes. 2/24/76

Letter transmitting Interim Report to the Senate President
and House Speaker for inclusion in the Journals. 2/27/76
(Appeared in Journal Supplement # 4, 3/3/76)

Wednesday

SUPPLEMENT

§ 23.06.100

commissioner of economic development
of the first sentence.

diem, travel expenses. Members
under AS 39.25.110 and shall
as provided by law for (SSSLA
SLA 1974)

orum, votes required; conflict of
its own rules of procedure. That
by the chairman, and at other times
majority of the board members.
majority of the members of the
bers shall be recorded. Efforts
ed under this chapter require two
board members. No board member
the board, vote for or on behalf of

act upon a matter in which he
a conflict of interest. No board
on with or hold stock or securities
corporation, company or association
tation of oil or gas. (§ 2 ch 9 SSSLA

has the power to

ral resources to solicit inquiries
ons for the sale, exchange or other
d by the state as a royalty under
e or other disposal in whole or part
production or both under a state
s established by the board;

ges or other disposals of oil or gas
royalty under AS 38.05.182, or of
duction or both under a state lease
disapproving the proposed sale.

consultants expert in technical
ns and other persons as necessary
of its powers;

the Administrative Procedure Act
ropriate in the exercise of its powers.

are reasonably necessary in the
apter. (§ 2 ch 9 SSSLA 1974)

§ 38.06.050

PUBLIC LANDS

§ 38.06.070

Sec. 38.06.050. Board approval required. (a) No sale, exchange, encumbrance, or other disposition of oil or gas or of the rights or waiver of the rights to receive future production of royalty oil or gas may be made by the commissioner of natural resources under AS 38.05.183 without the prior written approval of the board.

(b) Bids or applications for the purchase of royalty oil or gas may not be rejected by the commissioner of natural resources without the prior written approval of the board.

(c) Competitive bidding in a sale, exchange or other disposition described in (a) of this section may not be waived by the commissioner of natural resources under AS 38.05.183 without the prior written approval of the board.

(d) The board may require conditions relating to the sale, delivery, transportation, or refining or processing within the state to be included by the commissioner of natural resources in the offer of and sale by competitive bidding of oil or gas obtained by the state as royalty under AS 38.05.182. (§ 2 ch 9 SSSLA 1974)

Sec. 38.06.055. Action by legislature. (a) In addition to the approval by the board required under § 50 of this chapter, no sale, exchange or other disposition of oil or gas or of the rights or waiver of the rights to receive future production of royalty oil or gas may be made by the commissioner of natural resources under AS 38.05.183 without the prior approval of the legislature by a concurrent resolution concurred in by a majority of the members of each house.

(b) Until July 1, 1975, contracts for the sale of state-owned royalty gas or oil that specify the sale and delivery of not more than 400 barrels of crude oil per day or not more than 460 barrels of natural gas liquids per day or not more than 2,400 Mcf of natural gas per day may be executed without ratification by the legislature. (§ 2 ch 9 SSSLA 1974)

Sec. 38.06.060. Confidentiality. Notwithstanding AS 09.25.110 -- 09.25.120, the board may provide by regulation for the confidentiality of those documents and records in its possession or control which contain confidential business or marketing information the protection of which is essential to the person who has submitted them to the board or in the judgment of the board is essential to the best interest of the state. Such confidentiality, however, shall not preclude the proper review by the legislature. (§ 2 ch 9 SSSLA 1974)

Sec. 38.06.070. Criteria. (a) In the exercise of its powers under § 40(1) -- (2) and § 50 of this chapter the board shall consider

- (1) the revenue needs and projected fiscal condition of the state;
- (2) the existence and extent of present and projected local and regional needs for oil and gas products and by-products, the effect of state or federal commodity allocation requirements which might be applicable to those products and by-products, and the priorities among competing needs;

mineral leasing, notice of the proposed action shall also be given as provided in §§ 305 and 345 of this chapter. After the notice of noncompetitive leasing has been made as required in this subsection, notice of the subsequent issuance of a noncompetitive lease for the land involved shall be made by mail not less than 30 days before the issuance of the lease only to those who have requested the notice. (§ 1 art 4 ch 169 SLA 1959; am § 1 ch 30 SLA 1964; am § 1 ch 91 SLA 1967; am § 2 ch 71 SLA 1971; am § 10 ch 257 SLA 1976)

Effect of amendment. — The 1976 amendment added present subsection (b). 1284 (File Nos. 2551, 2587), 553 P.2d 8 (1976).
Cited in Moore v. State, Sup. Ct. Op. No.

Sec. 38.05.145. Leasing procedure.

Applied in Moore v. State, Sup. Ct. Op. No. 1284 (File Nos. 2551, 2587), 553 P.2d 8 (1976).

Sec. 38.05.180. Oil and gas.

Commissioner empowered to grant royalty reduction. — This section empowers the commissioner of the Department of Natural Resources, not the director, division of lands, to grant the specified royalty reduction. Union Oil Co. v. State Dep't of Natural Resources, Sup. Ct. Op. No. 1087 (File No. 2025), 526 P.2d 1147 (1974).

Sec. 38.05.181. Geothermal resources.

(b) *Land survey and classification.* (1) Because of the absence of detailed geothermal mapping and the limited geochemical, geological or geophysical knowledge of the state's geothermal resources that is available, a survey of geothermal resources shall be included in the complete geological survey of the state authorized by AS 41.08.020, and a statement of the progress of the geothermal resources survey shall be contained in the annual report required by that section.

(2) The classification of known geothermal resources areas, each of which shall contain at least one well capable of producing geothermal resources in commercial quantities, shall be made by the commissioner upon recommendations of the director, the state geologist or the United States Geological Survey under AS 41.08.040.

(3) Within 125 days after August 15, 1971, the commissioner shall publish a statement of all lands which were included within any known geothermal resources areas on August 15, 1971. He shall also publish from time to time his determination of other known geothermal resources areas specifying in each case the date the lands were included in the area.

(a) *Short title.* This section shall be known and cited as the Royalty Reduction Act.
(am §§ 40, 41 ch 127 S)

Effect of amendment.
The 1974 amendment substituted "AS 41.07.040" for "AS 41.08.020" for "AS 41.07.040" in the middle of subsection (b) and substituted "AS 41.07.040" for "AS 41.08.040" in subsection (b) (2) and deleted the words "and deleted" from the end of subsection (b).

Sec. 38.05.182. Royalty reduction. Royalty shall be reduced for in §§ 135 — 181 of this chapter if the commissioner and Gas Development Board determine that the kind would be in the best interest of the state. This section is required only with respect to lands covered by this chapter. (§ 1 art 4 ch 9 SSSLA 1974; am § 10 ch 257 SLA 1976)

Effect of amendment.
The 1976 amendment substituted "the commissioner, with the approval of the board, determines" for "at the discretion of the commissioner if he determines" in the middle of the first sentence and deleted the words "and deleted" from the second sentence.

Sec. 38.05.183. State lease. The disposal of a mineral lease under this chapter, or the disposal of a right to receive a mineral lease under this chapter, shall be made to the state if the bidding is not required by this chapter or the approval of the Alaska Board where applicable does not require it.

(b) When competitive bidding is required by prior written approval of the Advisory Board, the amount of the bid or for reasons connected with the acceptance of the bid.

(c) If the commissioner determines that the disposal of a mineral lease under this chapter or of a state lease under

A M E N D M E N T

Offered in the SENATE

BY HUBER

TO: SENATE CONCURRENT RESOLUTION NO. 3

Page 1, line 29: After "approved" insert the following:

"on the condition that the contract be modified to provide that in the event that seller elects to terminate the contract in accordance with the provisions set out therein, buyer agrees not to use federal regulatory intervention to continue the contract in force, and that in the event that buyer breaches this provision and the contract is prevented from being terminated in accordance with the provisions through federal regulatory intervention, that buyer agrees to pay to seller as liquidated damages the amount of \$2,000,000,000."

#3

A M E N D M E N T

Offered in the SENATE

BY HUBER

TO: SENATE CONCURRENT RESOLUTION NO. 3

Page 1, line 23: After "contract" insert ", except as provided below,"

Page 1, line 29: After "approved" insert the following:

subject to the condition that the contract be modified to provide that the exercise of the Governor's authority under sections 11.4 and 11.5 to change the designated pipeline project or to terminate the agreement be subject to approval by the legislature by concurrent resolution

A M E N D M E N T #4

Offered in the SENATE

BY HUBER

TO: SENATE CONCURRENT RESOLUTION NO. 3

Page 1, line 23: After "contract" insert ", except as provided below,"

Page 1, line 29: After "approved" insert the following:

subject to the condition that the contract be modified to reduce the percentage of the state's royalty gas allocated to the buyer under section 3.1 of the contract from 50 to 40 per cent

A M E N D M E N T # 5

Offered in the SENATE

By Huber

TO: SENATE CONCURRENT RESOLUTION NO. 3

Page 1, -line 23: After "contract" insert ", except as provided below,"

Page 1, line 29: After "approved" insert the following:

subject to the condition that the contract be modified
to include the agreement of the parties to the contract
concerning the applicability of severence tax in computing
the value to be received for the gas

A M E N D M E N T #6

Offered in the SENATE

By Huber

TO: SENATE CONCURRENT RESOLUTION NO. 3

Page 1, line 23: After "contract" insert ", except as provided below,"

Page 1, line 29: After "approved" insert the following:

subject to the condition that the contract be modified to include a provision under which the buyer agrees that the contract is terminated should section 13(b) of the Alaska Natural Gas Transportation Act (15 U.S.C. 719(k)) be repealed or substantively amended to limit or eliminate the "Alaska exemption"

A M E N D M E N T 7

Offered in the SENATE

BY HUBER

TO: SENATE CONCURRENT RESOLUTION NO. 3

Page 1, line 29: After "approved" insert the following:

"on the condition that the contract be modified to provide that in the event that seller elects to terminate the contract in accordance with the provisions set out therein, buyer agrees not to use federal regulatory intervention to continue the contract in force, and that in the event that buyer breaches this provision and the contract is prevented from being terminated in accordance with the provisions through federal regulatory intervention, that buyer agrees to pay to seller as liquidated damages the amount of \$2,000,000,000."

3-5 /