

SCOMM

94:15

Alaska State Legislature

House of Representatives

Official Business



State Capitol
Juneau, Alaska 99801-1182
(907) 465-3718

House Majority Leader

SPONSOR STATEMENT

HOUSE CONCURRENT RESOLUTION 19

Presented to Senate Special Committee on Oil & Gas

It is a pleasure to bring before this committee an opportunity for the members of the Legislature to reaffirm our positive support of a win-win situation -- encouraging the sale of the State's North Slope royalty gas.

The sale of this gas would add several hundred million dollars to the State's annual revenues and provide a tremendous job and economic stimulus consistent with the construction and operation of a multi-billion dollar transportation link.

As a representative from the Kenai Peninsula area, where Alaska's (and America's only) gas export to Japan has been going on for almost 25 years in the form of Liquefied Natural Gas (LNG), it is a particular pleasure for me to be encouraging the expansion of that trade.

Over the last few years, we've watched the rapidly expanding economies of our trading partners in the Asian-Pacific area reach the point where their need for energy and Alaskan gas has almost become a crisis. Just as Alaska has been a major energy provider to the US for decades, we are now in a position to help balance the energy, trade, and environmental imperatives of the Pacific Rim.

I know that we are all pleased that so many different companies are working to bring North Slope gas to market and that the state of Alaska, as a one-eighth owner of the gas, can join in offering its gas for sale.

This resolution encourages the negotiation of specific terms and conditions for royalty gas sales that then, as provided for in statute, are subject to future legislative review and approval.

The State's enthusiastic involvement as a gas owner and seller is an important reassurance to the consuming countries, and the legislature's support through this resolution is a very meaningful part of making this long-term complex multi-billion-dollar project happen.

FISCAL NOTE

No. 1

Bill Version: HCR 19

(H) Publish Date: 4/22/93

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Revision Date: _____
Title: Relating to the sale of state royalty on Oil

Department Affected: Legislative Affairs Agency
BRU: Salaries and Allowances

Sponsor: Representative Phillips
Requestor: Representative Green

Component: All

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

Zero fiscal impact.

Prepared By: Pamela A. Stoops, Director

Division: Administrative Services

Pamela A. Stoops

Phone: 465-3850

Date: 4/22/93

Approved By: Warren W. Endicott, Executive Director

Agency: Legislative Affairs Agency

Warren W. Endicott

Date: 4/22/93

COMMITTEE COPY Finance, Legislative Sponsor, Re

HCR 19: FISCAL NOTE (LAA)

SENATE COMMITTEE REPORT

DATE: 4/26/93

FURTHER: JUDICIARY

DATE TURNED INTO OFFICE: 4-27-93

Senate Special Committee on Oil and Gas considered HCR 19

Relating to the sale of state royalty gas.

0 rpts it back a file

and recommends:

- replace with _____ CS _____ ()
- or adopt previous _____ CS _____ ()
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

- do pass
- do not pass
- no recommendation
- individual recommendations

PHD

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal
LAA	4-22-93	Ø	

Appropriation No Fiscal Note

DO PASS.

J. E. Salo

OTHER RECOMMENDATIONS:

Best Map - No Rec.

Greg A. Leman DO pass

Chair: Signature and Recommendation

HOUSE CONCURRENT RESOLUTION NO. 19
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES PHILLIPS, Barnes, *Merand*

Introduced: 4/15/93

Referred: House Special Committee on Oil and Gas

A RESOLUTION

1 Relating to the sale of state royalty gas.

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

3 WHEREAS the state owns land located on the North Slope that contains vast proven
4 reserves of oil and natural gas and that has the potential for discovery of additional reserves
5 of oil and natural gas; and

6 WHEREAS the legislature has the constitutional obligation to provide for the use,
7 development, and conservation of all natural resources belonging to the state for the maximum
8 benefit of its people; and

9 WHEREAS in furtherance of that obligation, the legislature has provided for the
10 issuance of oil and gas leases to develop the North Slope oil and gas reserves; and

11 WHEREAS the state's oil and gas leasing statutes require that the state receive a
12 minimum royalty share of 12.5 percent of all oil and gas production from the leases; and

13 WHEREAS all citizens of the state have received tremendous additional benefits from
14 the sale of oil produced from North Slope leases, including permanent fund payments,
15 royalties, economic stimuli, substantial employment, and a tax base, which have benefited all
16 people of the state; and

17 WHEREAS, although the state would receive tremendous additional benefits from the

1 production and sale of North Slope gas, the North Slope lessees have neither sold nor entered
2 into contracts to sell North Slope gas; and

3 **WHEREAS** under its North Slope leases, the state has a right to take its 12.5 percent
4 royalty share in-kind and sell that share on its own behalf; and

5 **WHEREAS** by entering into long-term contracts with potential purchasers for the
6 future sale of the state's royalty gas, the state would aid in the development of a gas
7 transportation system and the production and sale of North Slope gas reserves, thereby
8 benefiting all the people of the state; and

9 **WHEREAS** the export of North Slope gas to Pacific Rim countries would reduce our
10 nation's trade deficit with those countries; and

11 **WHEREAS** the export of natural gas would aid the national economy by stimulating
12 economic growth and employment, and contributing additional revenue to the federal
13 government;

14 **BE IT RESOLVED** that the Alaska State Legislature supports and endorses the
15 governor's efforts to sell worldwide, under long-term contracts, the majority of the gas to
16 which the state is entitled as its royalty share from North Slope leases.

Current Status: (S) RLS

	Jrn-Date	Jrn-Page		Action
1	04/15/93	1256	(H)	READ THE FIRST TIME - REFERRAL(S)
2	04/15/93	1256	(H)	OIL AND GAS
3	04/22/93	1429	(H)	O&G RPT 5DP
4	04/22/93	1429	(H)	DP: KOTT, GREEN, OLBERG, G.DAVIS, SANDERS
5	04/22/93	1430	(H)	-ZERO FISCAL NOTE (LAA) 4/22/93
6	04/23/93	1478	(H)	RULES TO CALENDAR 4/23/93
7	04/23/93	1478	(H)	READ THE SECOND TIME
8	04/23/93	1479	(H)	PASSED Y37 N3 HCR 19
9	04/23/93	1479	(H)	Navarre NOTICE OF RECONSIDERATION
10	04/23/93	1481	(H)	COSPONSOR(S): MENARD
11	04/24/93	1496	(H)	RECON TAKEN UP - IN THIRD READING
12	04/24/93	1497	(H)	PASSED ON RECONSIDERATION Y38 N- A2
13	04/24/93	1512	(H)	TRANSMITTED TO (S)
14	04/26/93	1755	(S)	READ THE FIRST TIME - REFERRAL(S)
15	04/26/93	1755	(S)	O&G, JUDICIARY
16	04/27/93	1838	(S)	O&G RPT 2DP 1NR
17	04/27/93	1838	(S)	PREVIOUS H ZERO FN (LAA)
18	05/09/93	2259	(S)	JUD REFERRAL WAIVED

Selection=>

PF1	PF2	PF3	PF4	PF5	PF6	PF7	PF8	PF9	PF10	PF11	PF12
HELP	SUBJ	EXIT	MENU	TEXT	PRINT	BWD	FWD	CMT/JRNL	FIRST	LAST	QUIT
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HCR 19

Bill/Resolution Floor Action

Page 3 of 3

Current Status: (S) RLS

	Jrn-Date	Jrn-Page		Action
1	05/09/93	2259	(S)	REFERRED TO RULES

Selection=>

PF1	PF2	PF3	PF4	PF5	PF6	PF7	PF8	PF9	PF10	PF11	PF12
HELP	SUBJ	EXIT	MENU	TEXT	PRINT	BWD	FWD	CMT/JRNL	FIRST	LAST	QUIT
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