

ALASKA LEGISLATURE COMMITTEE FILES 2007-2008 SRES 12668

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convenience and necessity from the Federal Energy Regulatory Commission for the transportation of liquefied natural gas in interstate commerce if United States markets are proposed; and all rights-of-way or authorizations required from a foreign country;

(3) commit that if the proposed project is within the jurisdiction of the Federal Energy Regulatory Commission, the applicant will

(A) conclude, by a date certain that is not later than 36 months after the date the license is issued, a binding open season that is consistent with the requirements of Subpart B of 18 C.F.R. Part 157 (Open Seasons for Alaska Natural Gas Transportation Projects) and 18 C.F.R. 157.30 - 157.39;

(B) apply for Federal Energy Regulatory Commission approval to use the pre-filing procedures set out in 18 C.F.R. 157.21 by a date certain, and use those procedures before filing an application for a certificate of public convenience and necessity; and

(C) apply for a Federal Energy Regulatory Commission certificate of public convenience and necessity to authorize the construction and operation of the proposed project described in this section by a date certain;

(4) commit that if the proposed project is within the jurisdiction of the Regulatory Commission of Alaska, the applicant will

(A) conclude, by a date certain that is not later than 36 months after the date the license is issued, a binding open season that is consistent with the requirements of AS 42.06; and

(B) apply for a certificate of public convenience and necessity to authorize the construction and operation of the proposed project by a date certain;

(5) commit that after the first binding open season, the applicant will assess the market demand for additional pipeline capacity at least every two years through public nonbinding solicitations or similar means;

(6) commit to expand the proposed project in reasonable engineering increments and on commercially reasonable terms that encourage exploration and

1 development of gas resources in this state; in this paragraph,

2 (A) "commercially reasonable terms" means that, subject to the  
3 provisions of (7)(A) of this section, revenue from transportation contracts  
4 covers the cost of the expansion, including increased fuel costs and a  
5 reasonable return on capital as authorized by the Federal Energy Regulatory  
6 Commission or the Regulatory Commission of Alaska, as applicable, and there  
7 is no impairment of the proposed project's ability to recover the costs of  
8 existing facilities;

9 (B) "reasonable engineering increments" means the amount of  
10 additional capacity that could be added by compression or a pipe addition  
11 using a compressor size or pipe size, as applicable, that is substantially similar  
12 to the original compressor size and pipe size;

13 (7) commit that the applicant

14 (A) will propose and support recovery of mainline capacity  
15 expansion costs from all mainline system users through rolled-in rates if the  
16 recovery of all expansion costs through rolled-in rates would increase existing  
17 shippers' rates by not more than 15 percent of the initial maximum recourse  
18 rates from the North Slope to the proposed project's downstream terminus; if  
19 rolled-in expansion costs would increase existing shippers' rates from the  
20 North Slope to the project's downstream terminus by more than 15 percent, the  
21 applicant will propose and support the partial roll-in of mainline expansion  
22 costs from all mainline system users to the extent that existing shippers' rates  
23 would not be increased by more than 15 percent of the initial maximum  
24 recourse rates from the North Slope to the proposed project's downstream  
25 terminus; in this subparagraph, "initial maximum recourse rates" means the  
26 highest cost-based rates for any specific transportation service set by the  
27 Federal Energy Regulatory Commission, the Regulatory Commission of  
28 Alaska, or the National Energy Board of Canada, as appropriate, at the time of  
29 the initial regulatory approval of the proposed project;

30 (B) may propose any combination of incremental or rolled-in  
31 rates for recovery of costs of mainline capacity expansion that exceeds the 15

1 percent level described in (A) of this paragraph;

2 (C) agrees not to enter into negotiated rate agreements that  
3 would preclude the applicant from collecting from any shipper, including  
4 shippers with negotiated rate agreements, the rolled-in rates that are required to  
5 be proposed and supported by the applicant under (A) of this paragraph; in this  
6 subparagraph, "negotiated rate agreements" means transportation service  
7 agreements that are subject to rates that vary from the otherwise applicable  
8 cost-based rates, or recourse rates, set out in a gas pipeline tariff approved by  
9 the Federal Energy Regulatory Commission, the Regulatory Commission of  
10 Alaska, or the National Energy Board of Canada, as appropriate;

11 (8) state how the applicant proposes to deal with a North Slope gas  
12 treatment plant, regardless of whether that plant is part of the applicant's proposal, and,  
13 to the extent that that plant will be owned entirely or in part by the applicant, commit  
14 to seek certificate authority from the Federal Energy Regulatory Commission if the  
15 proposed project is engaged in interstate commerce, or from the Regulatory  
16 Commission of Alaska if the project is not engaged in interstate commerce, for a  
17 North Slope gas treatment plant that will be owned entirely or in part by the applicant  
18 and, for rate-making purposes, commit to value previously used assets that are part of  
19 the gas treatment plant at net book value; describe the gas treatment plant, including  
20 its design, engineering, construction, ownership, and plan of operation; the identity of  
21 any third party that will participate in the ownership or operation of the gas treatment  
22 plant; and the means by which the applicant will work to minimize the effect of the  
23 costs of the facility on the tariff;

24 (9) propose a percentage and total dollar amount for the state's  
25 matching contribution under AS 43.90.110(1)(A) and (B) to be specified in the  
26 license;

27 (10) commit that the applicant will propose and support rates for the  
28 proposed project and for any North Slope gas treatment plant that the applicant may  
29 own, in whole or in part, that are based on a capital structure for rate-making that  
30 consists of not less than 70 percent debt;

31 (11) describe the means by which the applicant plans to manage

1 overruns in costs of the proposed project, if any, and the measures that the applicant  
2 proposes to mitigate the effects of any overruns;

3 (12) commit to provide for a minimum of five delivery points of  
4 natural gas in this state;

5 (13) commit to offer firm transportation service to delivery points in  
6 this state as part of the tariff regardless of whether any shippers bid successfully in a  
7 binding open season for firm transportation service to delivery points in this state, and  
8 commit to offer distance-sensitive rates to delivery points in this state consistent with  
9 18 C.F.R. 157.34(c)(8);

10 (14) commit to establish a local headquarters in this state for the  
11 proposed project;

12 (15) commit to hire qualified residents from throughout this state for  
13 management, engineering, construction, operations, maintenance, and other positions  
14 on the proposed project and to contract with businesses located in this state to the  
15 extent permitted by law;

16 (16) commit to negotiate, before construction, a project labor  
17 agreement, to ensure expedited construction and labor stability for the project by  
18 qualified residents of the state;

19 (17) commit that the state matching contribution received by a licensee  
20 may not be included in the applicant's rate base, and shall be used as a credit against  
21 licensee's cost of service; and

22 (18) otherwise demonstrate that the applicant is ready and able to  
23 perform the activities specified in the application, including the detailed work plan,  
24 timeline, and associated budget.

25 **Sec. 43.90.150. Initial application review; additional information requests;**  
26 **complete applications.** (a) The commissioners shall review each application  
27 submitted under AS 43.90.130 to determine whether it is consistent with the terms of  
28 the request for applications and meets the requirements of AS 43.90.140. The  
29 commissioners shall reject any application that does not meet those terms and  
30 requirements.

31 (b) To evaluate an application not rejected under (a) of this section, the

1 commissioners may request from an applicant additional information relating to the  
2 application.

3 (c) If, within the time specified by the commissioners, an applicant fails to  
4 provide the additional information requested under (b) of this section, or submits  
5 additional information that is not responsive, the application will be rejected.

6 (d) For an application not rejected under (a) or (c) of this section, the  
7 commissioners shall make a determination that the application, including any  
8 requested additional information, is complete.

9 **Sec. 43.90.160. Proprietary information and trade secrets.** (a) At the  
10 request of the applicant, information submitted under this chapter that the applicant  
11 identifies and demonstrates is proprietary or is a trade secret is confidential and not  
12 subject to public disclosure under AS 40.25, unless the applicant is granted a license  
13 under his chapter. After a license is awarded, all information submitted by the licensee  
14 shall be made public.

15 (b) If the commissioners determine that the information submitted by the  
16 applicant is not proprietary or a trade secret, the commissioners shall notify the  
17 applicant and return the information on request of the applicant.

18 (c) An applicant that challenges the award of a license or the process for  
19 making the award shall be considered to have consented to the disclosure of all the  
20 information submitted under this chapter by the applicant making the challenge,  
21 including information held confidential under (a) of this section.

22 (d) In this section, "proprietary" means that the information is treated by the  
23 applicant as confidential and the public disclosure of that information would adversely  
24 affect the competitive position of the applicant or materially diminish the commercial  
25 value of the information to the applicant.

26 **Sec. 43.90.170. Notice, review, and comment.** (a) The commissioners shall  
27 publish notice and provide a 60-day period for public review and comment on all  
28 applications determined complete under AS 43.90.150.

29 (b) Applications received under this chapter are not public records and are not  
30 subject to public disclosure under AS 40.25 until the commissioners publish notice  
31 under this section. However, information that the commissioners have determined is

1 confidential under AS 43.90.160 may not be made public even after the notice is  
2 published under (a) of this section, except as otherwise provided by AS 43.90.160. If  
3 information is held confidential under this subsection, the applicant shall provide a  
4 summary that is satisfactory to the commissioners, and the commissioners shall make  
5 the summary of the information available to the public.

6 **Sec. 43.90.180. Application evaluation and ranking.** (a) The commissioners  
7 shall evaluate all applications determined to be complete under AS 43.90.150,  
8 consider public comments received under AS 43.90.170(a), and rank each application  
9 according to the net present value of the anticipated cash flow to the state from the  
10 applicant's project proposal using the factors in (b) of this section and weighted by the  
11 project's likelihood of success based on the commissioners' assessment of the factors  
12 listed in (c) of this section.

13 (b) When evaluating the net present value of anticipated cash flow to the state  
14 from the applicant's project proposal, the commissioners shall use ~~an undiscounted~~  
15 value and, at a minimum, discount rates of two, six, and eight percent, and consider

16 (1) how quickly the applicant proposes to begin construction of the  
17 proposed project and how quickly the project will commence commercial operation;

18 (2) the net back value of the gas determined by the destination market  
19 value of the gas and estimated transportation and treatment costs;

20 (3) the ability of the applicant to prevent or reduce project cost  
21 overruns that would increase the tariff;

22 (4) the initial design capacity of the applicant's project and the extent  
23 to which the design can accommodate low-cost expansion; and

24 (5) other factors found by the commissioners to be relevant to the  
25 evaluation of the net present value of the anticipated cash flow to the state.

26 (c) When evaluating the project's likelihood of success, the commissioners  
27 shall consider

28 (1) the reasonableness, specificity, and feasibility of the applicant's  
29 work plan, timeline, and budget required to be submitted under AS 43.90.140,  
30 including the applicant's plan to manage cost overruns, insulate shippers from the  
31 effect of cost overruns, and encourage shippers to participate in the first binding open

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1 season;

2 (2) the financial resources of the applicant;

3 (3) the ability of the applicant to comply with the proposed  
4 performance schedule;

5 (4) the applicant's organization, experience, accounting and operational  
6 controls, technical skills or the ability to obtain them, necessary equipment or the  
7 ability to obtain the necessary equipment;

8 (5) the applicant's record of

9 (A) performance on projects not licensed under this chapter;

10 (B) integrity and good business ethics; and

11 (6) other evidence and factors found by the commissioners to be  
12 relevant to the evaluation of the project's likelihood of success.

13 (d) In this section, "net present value" means the discounted value of a future  
14 stream of cash flow.

15 **Sec. 43.90.190. Notice to the legislature of intent to issue license; denial of**  
16 **license.** (a) If, after consideration of public comments received under AS 43.90.170  
17 and evaluation of complete applications under AS 43.90.180, the commissioners  
18 determine that an application would sufficiently maximize the benefits to the people of  
19 this state and merits issuance of a license under this chapter, the commissioners shall

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20 (1) issue a determination, with written findings addressing the basis for  
21 the determination; the determination becomes a final agency action in accordance with  
22 AS 43.90.200;

23 (2) publish notice of intent to issue a license under this chapter with  
24 written findings addressing the basis for the determination; and

25 (3) forward the notice under (2) of this subsection, along with the  
26 findings, supporting documentation, and determination under (1) of this subsection, to  
27 the legislature for action as provided in AS 43.90.200.

28 (b) If, after evaluation of complete applications under AS 43.90.180, the  
29 commissioners determine that no application sufficiently maximizes the benefits to the  
30 people of this state and merits issuance of a license under this chapter, the  
31 commissioners shall issue a written finding that addresses the basis for that

determination.

(c) The commissioners' determination under (b) of this section is a final agency action for purposes of appeal to the court under the Alaska Rules of Appellate Procedure.

**Sec. 43.90.200. Legislative approval; issuance of license.** (a) After receiving a determination from the commissioners under AS 43.90.190, the legislature shall introduce a resolution in their respective chambers that provides for the approval of the license proposed to be issued by the commissioners.

(b) If a resolution approving the issuance of the license is approved by both houses of the legislature within 60 calendar days immediately following the date notice is received from the commissioners under AS 43.90.190(a), the commissioners may issue the license as soon as practicable after the passage of the resolution. The issuance of the license approved by the legislature is a final administrative action on the date the license is issued for purposes of appeal to the superior court.

(c) If a resolution approving the issuance of the license does not pass both houses of the legislature within the time specified in (b) of this section, the commissioners may request new applications for a license under AS 43.90.130.

**Sec. 43.90.210. Certification by regulatory authority and project sanction.**

(a) A licensee that is awarded a certificate of public convenience and necessity for the project by the Federal Energy Regulatory Commission if the project is engaged in interstate commerce, or the Regulatory Commission of Alaska if the project is not engaged in interstate commerce, shall accept the certificate when all rights of administrative appeal relating to the certificate have expired.

(b) If the licensee has credit support sufficient to finance construction of the project through ownership of rights to produce and market gas resources, firm transportation commitments, or government financing, the licensee shall sanction the project within one year after the effective date of the certificate of public convenience and necessity issued by the Federal Energy Regulatory Commission or the Regulatory Commission of Alaska, as applicable.

(c) If the licensee does not have credit support sufficient to finance construction of the project through ownership of rights to produce and market gas

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1 resources, firm transportation commitments, or government financing, the licensee  
2 shall sanction the project within five years after the effective date of the certificate of  
3 public convenience and necessity issued by the Federal Energy Regulatory  
4 Commission or the Regulatory Commission of Alaska, as applicable.

5 (d) If the licensee fails to sanction the project timely as required under this  
6 section, the licensee shall, upon request by the state,

7 (1) seek approval from the Federal Energy Regulatory Commission or  
8 Regulatory Commission of Alaska, as appropriate, to abandon and transfer the  
9 certificate to the state or the state's designee; and

10 (2) assign to the state's designee all project data engineering designs,  
11 contracts, and permits ~~acquired~~ acquired by the licensee as of the date of the abandonment or  
12 transfer.

13 (e) The transfer of any certificate or material as a result of failure to comply  
14 with (a) or (b) of this section is at no cost to the state or the state's designee. A transfer  
15 under (c) of this section is at the licensee's net cost.

16 (f) For purposes of this section, the effective date of the certificate of public  
17 convenience and necessity issued by the Federal Energy Regulatory Commission or  
18 the Regulatory Commission of Alaska is the date when all rights of administrative  
19 appeal relating to the certificate have expired.

20 **Sec. 43.90.220. Amendment of or modification to the project plan.** Subject  
21 to the approval of the commissioners, a licensee may amend or modify its project plan  
22 if the amendments or modifications are necessary as a result of changed circumstances  
23 outside the licensee's control and not reasonably foreseeable before the license was  
24 issued. An amendment or modification approved under this section must be consistent  
25 with the requirements of AS 43.90.140 and may not diminish the value to the state of  
26 the project or the project's likelihood of success.

27 **Sec. 43.90.230. Records, reports, conditions, and audit requirements.** (a) A  
28 licensee shall maintain complete and accurate records of all expenditures and  
29 commitments of state money received under this chapter, including receipts and  
30 records showing the payment or cost of purchased items and services, the names and  
31 addresses of the sellers and service providers, and the dates of service or delivery.

1 (b) Upon reasonable notice, the commissioners may audit the records, books,  
2 and files of the entity receiving the state money or making the expenditures and  
3 commitments of money received from the state under this chapter.

4 (c) The commissioners may do the following with respect to information  
5 relating to the project: conduct hearings or other investigative inquiries; compel the  
6 attendance of witnesses and production of documents; and require the licensee to  
7 furnish information in paper copy or electronic format.

8 (d) After a license has been issued and until commencement of commercial  
9 operations of a natural gas pipeline, the licensee shall allow the commissioners to have  
10 a representative present at all meetings of the licensee's governing body and equity  
11 holders that relate to the project, to receive all relevant notices and information sent to  
12 the governing body and equity holders, to receive the same access to information  
13 about the licensee as the governing body members and equity owners receive, and to  
14 receive additional relevant reports or information from the licensee that the  
15 commissioners reasonably request.

16 (e) A licensee shall maintain the records and reports required under this  
17 section for seven years from the date the licensee receives state money under this  
18 chapter.

19 **Sec. 43.90.240. License violations; damages.** (a) A licensee is in violation of  
20 the license if the commissioners determine that the licensee has

21 (1) committed state money received under this chapter for purposes  
22 other than those set out in AS 43.90.110(1);

23 (2) substantially departed from the specifications set out in the  
24 application without state approval of a project plan amendment or modification under  
25 AS 43.90.220;

26 (3) violated any provision of this chapter or any other provision of  
27 state or federal law material to the license; or

28 (4) otherwise violated a material term o. the license.

29 (b) The commissioners shall provide written notice to the licensee identifying  
30 a license violation. The commissioners and the licensee have 90 days after the date the  
31 notice is issued to resolve the violation informally.

1 (c) The commissioners may suspend disbursement of state matching  
 2 contributions to the licensee beginning on the date that the notice of violation issued  
 3 under (b) of this section is sent to the licensee. The commissioners may resume  
 4 disbursement on the date that the commissioners determine that the violation is cured.

5 (d) If the commissioners and the licensee are unable to resolve the violation  
 6 within the time specified in (b) of this section, the commissioners shall, after providing  
 7 the licensee with notice and opportunity to be heard, make a written determination  
 8 regarding the violation. The written determination made under this subsection is the  
 9 final agency action for purposes of appeal to the court under the Alaska Rules of  
 10 Appellate Procedure.

11 (e) If the determination issued under (d) of this section finds an unresolved  
 12 violation, the commissioners may impose one or more of the following remedies:

- 13 (1) discontinuation of state matching contributions under this chapter;
- 14 (2) recoupment of state money that the licensee has received under this  
 15 chapter to date, with interest, regardless of whether the licensee has expended or  
 16 committed that money;
- 17 (3) license revocation;
- 18 (4) assignment to the state or the state's designee of all engineering  
 19 designs, contracts, permits, and other data related to the project that are acquired by  
 20 the licensee during the term of the license; and
- 21 (5) any other remedies provided by law or in equity.

22 **Article 3. Resource Inducement; Alaska Gasline Inducement Act Coordinator.**

23 **Sec. 43.90.300. Qualification for resource inducement.** Notwithstanding any  
 24 contrary provision of law, a lessee or other person that demonstrates to the  
 25 commissioners' satisfaction that the person has committed to acquire firm  
 26 transportation capacity in the first binding open season of the project is qualified to  
 27 receive the resource inducement set out in AS 43.90.310 and 43.90.320 for the gas  
 28 shipped in firm transportation capacity acquired in the first binding open season of the  
 29 project. The inducements set out in AS 43.90.310 and 43.90.320 are contractual.

30 **Sec. 43.90.310. Royalty inducement.** (a) Before the beginning of the first  
 31 binding open season to be conducted by the licensee, the commissioner of natural

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1 resources shall adopt regulations to establish a method to determine the monthly value  
2 of the state's royalty share of gas production and establish terms under which the state  
3 will exercise its right to switch between taking its royalty in value or in kind for gas  
4 committed for firm transportation in the first binding open season of the project. The  
5 regulations must

6 (1) minimize retroactive adjustments to the monthly value of the state's  
7 royalty share of gas production;

8 (2) contain provisions to establish a fair market value for each  
9 component of the state's royalty gas that are based on pricing data from reliable and  
10 widely available industry trade publications and use appropriate adjustments to reflect

11 (A) deductions for actual and reasonable transportation costs  
12 for the state's royalty gas, including a fair share of the costs associated with  
13 unused capacity commitments on pipelines from the North Slope of this state  
14 to the first destination market with reasonable market liquidity;

15 (B) location differentials between the destination markets  
16 where North Slope gas could be sold;

17 (C) reasonable and actual costs for gas processing; and

18 (D) deductions permitted under the 1980 Royalty Settlement  
19 Agreement for Prudhoe Bay gas; and

20 (3) establish terms under which the state will exercise its authority to  
21 switch between taking its royalty gas in value and in kind to ensure that the state's  
22 actions do not unreasonably

23 (A) cause the lessee or other <sup>(qualified)</sup> person to bear disproportionate  
24 transportation costs with respect to the state's royalty gas;

25 (B) interfere with the lessee's or other <sup>(qualified)</sup> person's long-term  
26 marketing of its production.

27 (b) If a lessee or other person qualified for resource inducement under  
28 AS 43.90.300 agrees under (c) of this section, the lessee or other person is entitled to  
29 elect

30 (1) to calculate its gas royalty obligation under the regulations adopted  
31 under (a) of this section for natural gas transported on a firm contract negotiated

1 during the project's first binding open season or under the methodology set out in the  
2 existing leases from which the gas is produced, and

3 (A) upon the request of the lessee, the commissioner of natural  
4 resources shall contractually amend the existing lease to reflect the election  
5 under this paragraph and incorporate into the lease, the terms of the relevant  
6 regulations as fixed contract terms; and

7 (B) the election under this subsection remains in effect until  
8 new regulations are adopted as a result of a review under (d) of this section, at  
9 which time, a lessee or other person qualified under AS 43.90.300 may change  
10 its election under this paragraph; upon the request of the lessee, the  
11 commissioner of natural resources shall contractually amend the lease to  
12 incorporate as fixed contract terms the relevant revised regulatory provisions;

13 (2) to enter a contract with the state that amends the existing lease  
14 terms by extending the required period of notice that the state must provide before  
15 exercising the state's right to switch between taking its royalty in value or in kind for  
16 gas committed for firm transportation in the first binding open season of the project.

17 (c) To claim the inducement under (b) of this section, a lessee or other  
18 qualified person shall agree, on an application form provided by the Department of  
19 Natural Resources, that the lessee or person, and the lessee's or person's affiliates,  
20 successors, assigns, and agents, will not protest or appeal a filing by the licensee to  
21 roll in expansion costs of the mainline up to a level that is required in AS 43.90.140(7)  
22 (if the Federal Energy Regulatory Commission does not have a rebuttable presumption  
23 in effect that rolled-in rate treatment applies to the cost of the expansion of the project.

24 The agreement not to protest may not preclude the lessee or other qualified person, or  
25 the lessee's or other person's affiliates, successors, assigns, and agents from protesting  
26 a filing to roll in mainline expansion costs that licensee is not required to propose and  
27 support under AS 43.90.140(7).

28 (d) The commissioner of natural resources shall provide for review of the  
29 regulations adopted under (a) of this section at least every two years after the  
30 commencement of commercial operations of the project to determine whether the  
31 regulations continue to meet the requirements of (a)(1) of this section under current

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1 conditions, and shall amend the regulations when the requirements are not being met.

2 (e) No provision of this chapter precludes the election set out in (b) of this  
3 section, nor may the commissioner of natural resources assert any provision of any  
4 existing lease or unit agreement as precluding the elections set out in (b) of this  
5 section.

6 **Sec. 43.90.320. Gas production tax exemption.** (a) If a person qualified for  
7 resource inducement under AS 43.90.300 agrees under (c) of this section, the person is  
8 entitled to an annual exemption from the state's gas production tax in an amount equal  
9 to the difference between the amount of the person's gas production tax obligation  
10 calculated under the gas production tax in effect during that tax year and the amount of  
11 the person's gas production tax obligation calculated under the gas production tax in  
12 effect at the conclusion of the first binding open season held under this chapter. If the  
13 difference is less than zero, the gas production tax exemption is zero.

14 (b) The commissioner of revenue shall issue the exemption under this section  
15 in a certificate signed by the person and the commissioner, and the certificate  
16 constitutes a contract between the person and the state; the certificated exemption may  
17 be applied within 10 years immediately following commencement of commercial  
18 operations of the project only to production taxes that are levied on North Slope gas  
19 shipped through firm transportation capacity the person acquired during the first  
20 binding open season.

21 (c) The exemption certificate issued under (b) of this section shall contain a  
22 contractual commitment that the person, and the person's affiliates, successors,  
23 assigns, and agents, will not protest or appeal a filing by the licensee to roll in  
24 mainline expansion costs up to the level that the licensee is required to propose and  
25 support under AS 43.90.140(7) if the Federal Energy Regulatory Commission does  
26 not have a rebuttable presumption in effect that rolled-in rate treatment applies to the  
27 cost of the expansion of the project. The contractual commitment required under this  
28 subsection may not preclude the person, or the person's affiliates, successors, assigns,  
29 and agents, from protesting a filing to roll in mainline expansion costs that the licensee  
30 is not required to propose and support under AS 43.90.140(7).

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31 **Article 4. Alaska Gasline Inducement Act Coordinator; Expedited Agency Review;**

**Alaska Job Development Program.**

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2           **Sec. 43.90.400. Alaska Gasline Inducement Act coordinator.** (a) The  
3 governor shall appoint, subject to legislative confirmation, an Alaska Gasline  
4 Inducement Act coordinator. The Alaska Gasline Inducement Act coordinator  
5 terminates one year after commencement of commercial operations of the project.

6           (b) The Alaska Gasline Inducement Act coordinator shall

7                   (1) coordinate expeditious performance of all activities by state  
8 agencies with respect to the project;

9                   (2) ensure compliance by state agencies with the provisions of this  
10 chapter; and

11                   (3) coordinate with the federal coordinator for natural gas  
12 transportation projects in this state.

13           **Sec. 43.90.410. Expedited review and action by state agencies.** (a) All  
14 reviews conducted and actions taken by a state agency relating to a project shall be  
15 expedited in a manner consistent with the completion of the necessary approvals in  
16 accordance with this chapter.

17           (b) Notwithstanding any contrary provision of law, a state agency may not  
18 include in any project certificate, right-of-way, permit, or other authorization issued to  
19 the licensee any term or condition that is not required by law if the Alaska Gasline  
20 Inducement Act coordinator determines that the term or condition would prevent or  
21 impair in any significant respect the expeditious construction and operation or  
22 expansion of the project.

23           (c) Unless required by law, a state agency may not add to, amend, or abrogate  
24 any certificate, right-of-way, permit, or other authorization issued to a licensee if the  
25 Alaska Gasline Inducement Act coordinator determines that the action would prevent  
26 or impair in any significant respect the expeditious construction, operation, or  
27 expansion of the project.

28           **Sec. 43.90.420. State pipeline employment development.** The commissioner  
29 of labor and workforce development shall develop a job training program that will  
30 provide training for Alaskans in gas pipeline project management, construction,  
31 operations, maintenance, and other gas pipeline-related positions.

**Article 5. Miscellaneous Provisions.**

1  
2           **Sec. 43.90.500. Alaska Gasline Inducement Act matching contribution**  
3 **fund; disbursements; audits.** (a) There is established in the general fund an Alaska  
4 Gasline Inducement Act matching contribution fund. The fund consists of money  
5 appropriated to it by the legislature for disbursement to pay the state's matching  
6 contributions under AS 43.90.110. Appropriations to the fund do not lapse under  
7 AS 37.25.010, but remain in the fund for future disbursements.

8           (b) The Department of Revenue shall manage the fund, and may invest money  
9 in the fund so as to yield competitive market rates as provided in AS 37.10.071.  
10 Interest received on money in the fund shall be accounted for separately and may be  
11 appropriated to the fund annually.

12           (c) The commissioners shall adopt regulations that provide for application to  
13 receive matching contributions for qualified expenditures as provided under  
14 AS 43.90.110, and that provide for periodic audits of the use of money disbursed as  
15 matching contributions under this chapter.

16           (d) Within 10 days after the convening of each regular session of the  
17 legislature, the commissioners shall submit to the legislature a report that lists all the  
18 disbursements from the fund in the preceding year with a written justification of each  
19 disbursement and the projected amount of money that will be needed for matching  
20 contributions in each of the next three fiscal years.

21           **Sec. 43.90.510. Regulations.** The commissioners may jointly adopt  
22 regulations for the purpose of implementing the provisions of this chapter. The  
23 commissioner of revenue may change regulations adopted under existing authority in  
24 this title as necessary to implement the provisions of this chapter. The commissioner  
25 of natural resources may change regulations adopted under existing authority in AS 38  
26 as necessary to implement the provisions of this chapter.

27           **Sec. 43.90.520. Statute of limitations.** A person may not bring a judicial  
28 action challenging the constitutionality of this chapter or a license unless the action is  
29 commenced in a court of proper jurisdiction in this state within 90 days after the date  
30 that a license was issued.

31           **Sec. 43.90.530. Interest.** When a payment due to the state under this chapter

1 becomes delinquent, the payment bears interest in a calendar quarter at the annual rate  
2 of five percentage points above the annual rate charged member banks for advances by  
3 the 12th Federal Reserve District as of the first day of that calendar quarter, or at the  
4 annual rate of 11 percent, whichever is greater, compounded quarterly as of the last  
5 day of that quarter.

6 **Sec. 43.90.540. Licensed project assurances.** Except as otherwise provided in  
7 this chapter, the state grants a licensee assurances that the licensee has exclusive  
8 enjoyment of the inducement provided under this chapter before the commencement  
9 of commercial operation of the project. If, before the commencement of commercial  
10 operation of the project, the state extends to another person preferential royalty, tax, or  
11 monetary treatment for the purpose of facilitating the construction of a competing  
12 natural gas pipeline project in this state, and if the licensee is in compliance with the  
13 requirements of the license and with the requirements of state and federal statutes and  
14 regulations relevant to the project, the licensee is entitled to payment from the state of  
15 an amount equal to three times the total of the reasonable costs that the licensee has  
16 incurred in developing the licensee's project as of the date that the state first extended  
17 preferential treatment to another person. Upon payment by the state of the amount  
18 owed under this section, the licensee shall, at no cost to the state, assign to the state or  
19 the state's designee all project data, engineering designs, contracts, and permits related  
20 to the project that are acquired by the licensee during the term of the license. In this  
21 section, "competing natural gas pipeline project" means a project designed to  
22 accommodate throughput of more than 500,000,000 cubic feet a day of North Slope  
23 gas.

24 **Sec. 43.90.550. Assignments.** (a) A licensee may transfer all or part of the  
25 license, including the rights and obligations arising under the license, if

26 (1) the transfer is approved in writing in advance by the  
27 commissioners; and

28 (2) the transfer does not increase or diminish the obligations created by  
29 the license or diminish the likelihood of success of the project or the value of the  
30 license to the state.

31 (b) Notwithstanding the commissioners' approval of a transfer of all or part of

1 a license under (a) of this section, the transferor of the license remains subject to the  
2 requirements of AS 43.90.230 regarding all state money received by the licensee  
3 before the effective date of the transfer.

4 (c) A person may transfer that person's rights to the royalty inducement under  
5 AS 43.90.310 and the gas production tax exemption under AS 43.90.320 only in  
6 connection with a sale or merger that results in transfer of all the person's assets in the  
7 North Slope of this state, including the firm transportation capacity contracts in the  
8 project.

9 **Sec. 43.90.560. Conflicting laws.** Nothing in this chapter shall be construed to  
10 repeal or abrogate the administrative, regulatory, or statutory procedures and functions  
11 of state and federal law governing the development and oversight of a project.

12 **Sec. 43.90.570. Severability.** Under AS 01.10.030, if any provision of this  
13 chapter, or the application of it to any person or circumstance, is held invalid, the  
14 remainder of this chapter and the application of it to other persons or circumstances  
15 are not affected.

#### 16 **Article 6. General Provisions.**

17 **Sec. 43.90.900. Definitions.** In this chapter, unless the context otherwise  
18 requires,

19 (1) "affiliate" means another person that controls, is controlled by, or is  
20 under common control with a person; "affiliate" includes a division that operates as a  
21 functional unit;

22 (2) "Alaska Gasline Inducement Act coordinator" means the person  
23 appointed under AS 43.90.400;

24 (3) "commencement of commercial operations" means the first flow of  
25 gas in the project that generates revenue to the owners;

26 (4) "commissioners" means the commissioner of revenue and the  
27 commissioner of natural resources, acting jointly;

28 (5) "control" means the possession of ownership interest or authority  
29 sufficient to, directly or indirectly, and whether acting alone or in conjunction with  
30 others, direct or cause the direction of the management or policies of a company, and  
31 is rebuttably presumed if the voting interest held is 10 percent or more;

- 1 (6) "equity holder" means the  
2 (A) stockholders of a corporation;  
3 (B) members of a limited liability company;  
4 (C) partners of a partnership;  
5 (D) joint venturers of a joint venture;  
6 (E) members of a governmental authority and similar persons;

7 or

- 8 (F) holders of any other entity or person;

9 (7) "gas processing" means post-production treatment of gas to extract  
10 natural gas liquids;

11 (8) "governing body" means a corporation's board of directors, a  
12 limited liability company's managing members, a partnership's general partners, a joint  
13 venturer's joint venturers, a governmental authority's board or council members, and  
14 similar entities;

15 (9) "lease" means an oil and gas, or gas, lease issued by this state;

16 (10) "lessee" means a person that holds a working interest in an oil and  
17 gas, or gas, lease issued by this state;

18 (11) "license" means a license issued under this chapter;

19 (12) "licensee" means the holder of a license issued under this chapter  
20 and all affiliates, successors, assigns, and agents of the holder;

21 (13) "North Slope" means the area of Alaska north of 68 degrees North  
22 latitude;

23 (14) "project" means a natural gas pipeline project authorized under a  
24 license issued under this chapter;

25 (15) "recourse rates" means cost-based rates with a minimum and  
26 maximum range that are approved by the Federal Energy Regulatory Commission, the  
27 Regulatory Commission of Alaska, or the National Energy Board of Canada, as  
28 appropriate, and set out in the pipeline's tariff; "recourse rates" includes only those  
29 rates that the pipeline must make available to all shippers;

30 (16) "sanction" means financial commitments to go forward with the  
31 project as evidenced by entering into financial commitments of at least

1           \$1,000,000,000 with third parties;

2                       (17) "under common control with" has the meaning given "control" in  
3 this section;

4                       (18) "unit agreement" means an agreement executed by the working  
5 interest owners and royalty owners creating the unit.

6                       **Sec. 43.90.990. Short title.** This chapter may be cited as the Alaska Gasline  
7 Inducement Act.

8       \* **Sec. 2.** AS 36.30.850(b) is amended by adding a new paragraph to read:

9                       (45) contracts for an arbitration panel to determine abandonment of a  
10 project under AS 43.90.120, and contracts for the development of application  
11 provisions for licensure and for the evaluation of those applications under AS 43.90.

12       \* **Sec. 3.** AS 39.25.110 is amended by adding a new paragraph to read:

13                       (41) the Alaska Gasline Inducement Act coordinator appointed under  
14 AS 43.90.400.

15       \* **Sec. 4.** AS 40.25.120(a) is amended to read:

16                       (a) Every person has a right to inspect a public record in the state, including  
17 public records in recorders' offices, except

18                               (1) records of vital statistics and adoption proceedings, which shall be  
19 treated in the manner required by AS 18.50;

20                               (2) records pertaining to juveniles unless disclosure is authorized by  
21 law;

22                               (3) medical and related public health records;

23                               (4) records required to be kept confidential by a federal law or  
24 regulation or by state law;

25                               (5) to the extent the records are required to be kept confidential under  
26 20 U.S.C. 1232g and the regulations adopted under 20 U.S.C. 1232g in order to secure  
27 or retain federal assistance;

28                               (6) records or information compiled for law enforcement purposes, but  
29 only to the extent that the production of the law enforcement records or information

30                                       (A) could reasonably be expected to interfere with enforcement  
31 proceedings;

1 (B) would deprive a person of a right to a fair trial or an  
2 impartial adjudication;

3 (C) could reasonably be expected to constitute an unwarranted  
4 invasion of the personal privacy of a suspect, defendant, victim, or witness;

5 (D) could reasonably be expected to disclose the identity of a  
6 confidential source;

7 (E) would disclose confidential techniques and procedures for  
8 law enforcement investigations or prosecutions;

9 (F) would disclose guidelines for law enforcement  
10 investigations or prosecutions if the disclosure could reasonably be expected to  
11 risk circumvention of the law; or

12 (G) could reasonably be expected to endanger the life or  
13 physical safety of an individual;

14 (7) names, addresses, and other information identifying a person as a  
15 participant in the Alaska Higher Education Savings Trust under AS 14.40.802 or the  
16 advance college tuition savings program under AS 14.40.803 - 14.40.817;

17 (8) public records containing information that would disclose or might  
18 lead to the disclosure of a component in the process used to execute or adopt an  
19 electronic signature if the disclosure would or might cause the electronic signature to  
20 cease being under the sole control of the person using it;

21 (9) reports submitted under AS 05.25.030 concerning certain  
22 collisions, accidents, or other casualties involving boats;

23 (10) records or information pertaining to a plan, program, or  
24 procedures for establishing, maintaining, or restoring security in the state, or to a  
25 detailed description or evaluation of systems, facilities, or infrastructure in the state,  
26 but only to the extent that the production of the records or information

27 (A) could reasonably be expected to interfere with the  
28 implementation or enforcement of the security plan, program, or procedures;

29 (B) would disclose confidential guidelines for investigations or  
30 enforcement and the disclosure could reasonably be expected to risk  
31 circumvention of the law; or

1 (C) could reasonably be expected to endanger the life or  
2 physical safety of an individual or to present a real and substantial risk to the  
3 public health and welfare;

4 (11) the written notification regarding a proposed regulation provided  
5 under AS 24.20.105 to the Department of Law and the affected state agency and  
6 communications between the Legislative Affairs Agency, the Department of Law, and  
7 the affected state agency under AS 24.20.105;

8 (12) records that are

9 (A) proprietary or a trade secret in accordance with  
10 AS 43.90.160;

11 (B) applications that are received under AS 43.90 until  
12 notice is published under AS 43.90.170.

13 \* Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

# ALASKA STATE LEGISLATURE

Sen. Charlie Huggins, Chair  
Sen. Bert Stedman, Vice Chair  
Sen. Lyda Green  
Sen. Gary Stevens  
Sen. Leail McGuire  
Sen. Bill Wielechowski  
Sen. Thomas Wagoner



State Capitol, Room 119  
Juneau AK 99801-1182  
907-465-3878  
Fax: 907-465-3265  
800-862-3878

**Senate Resources Committee**  
Butrovich Room 205  
Sunday, April 1, 2007

## AGENDA

1:00 - 5:00

### **SB 104 Natural Gas Pipeline Project**

"An Act relating to the Alaska Gasline Inducement Act; establishing the Alaska Gasline Inducement Act matching contribution fund; providing for an Alaska Gasline Inducement Act coordinator; making conforming amendments; and providing for an effective date."

Testimony: Listen Only

# ALASKA STATE LEGISLATURE

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## Senate Resources Committee

### MEMORANDUM

**Date:** 4/1/07  
**To:** Legal Services/Don Bullock  
**From:** Sharon Long, SRES Committee Aide  
**Re:** Request FINAL CS for SB104 vs M

---

CS version M passed SRES this afternoon.

Please prepare a final to be delivered to the Senate Secretary tomorrow in time for the morning floor session. VS "M" passed with agreed upon technical adjustments which you have noted, including: language changes regarding "project data" on page 14 lines 10 & 11, and on page 22 lines 19 & 20. The "data" language should read as it does on page 16 line 19. Also, add word "matching" for parallel construction on page 2, line 23.

Thank you very much for all your excellent counsel and apologies for any sleep deprivation caused by this committee.

# ALASKA STATE LEGISLATURE

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## Senate Resources Committee

Monday April 2, 2007  
3:30 p.m. - 5:00 p.m.

### AGENDA

- **HB 25 RECREATIONAL LAND USE LIABILITY/ADV. POSS**

Landowners' immunity for allowing use of land without charge for a recreational activity; relating to landowners' liability where landowner conduct involves gross negligence or reckless or intentional misconduct; relating to claims of adverse possession and prescriptive easements, or similar claims.

Presentation by

Representative Paul Seaton

Public Testimony: Time Limit May Be Set

- BPH/S

SB 10A

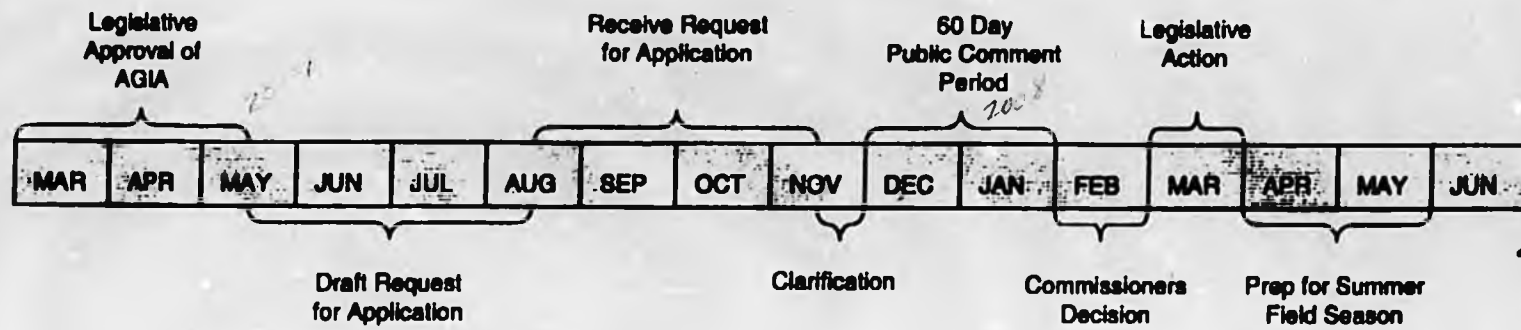
# Summary of Federal Agency Permits and Approvals

- **Federal Energy Regulatory Commission**
  - Certificate of Public Convenience and Necessity
  - NEPA
- **US Bureau of Land Management**
  - Grant of Right of Way
  - Archaeological Resources
- **US Fish & Wildlife Service**
  - Incidental Take Permit
  - ESA
  - Land Use
- **US Environmental Protection Agency**
  - SPCC Plan
  - Storm Water Plans
  - RCRA Storage & Disposal
  - NPDES Permits
- **US Army Corps of Engineers**
  - Section 404 Permit
  - Section 10 Permit
- **US Department of Homeland Security**
  - US Coast Guard Navigable Waters Construction
- **Department of Defense**
  - Land Use
- **Federal Communications Commission**
  - Communications Towers
- **Federal Aviation Administration**
  - Airport Use & Operations
- **Others**

# Summary of State of Alaska Permits and Approvals

- Department of Natural Resources (DNR)
  - Material Sales Contract
  - Land Use Permits
  - Water Use Permits
  - Right of Way Lease (AS 38.35)
  - Rights of Way (AS 38.05)
- DNR Office of History & Archaeology
  - State Historic Preservation Office
  - Cultural and Archaeological Clearances
  - Field Survey Permits
  - Section 106 NHPA
- DNR Office of Habitat Management & Permitting
  - Title 41 Fish Habitat Permits
  - Fish Passage Installation
- DNR Office of Project Management & Permitting
  - Alaska Coastal Management Program – Coastal Zone Consistency Review
- Department of Environmental Conservation
  - Oil Discharge / Spill Prevention
  - Air Quality
  - Title V Air Permit
  - Water and Sewage
  - Solid Waste Disposal
  - Food Service
- Department of Transportation & Public Facilities
  - Utility Permits
  - Driveway Permits
- Alaska Oil & Gas Conservation Commission
  - UIC Class II Injection Disposal Well
- Department of Revenue
  - AGIA
- Department of Commerce, Community & Economic Development
  - Regulatory Commission Approval
- Department of Fish and Game

# Alaska Gasline Inducement Act Process



2008  
Field  
Season

**SB 104**

**(FILE 3)**

**PUBLIC  
COMM'TS**

**Frontiersman Question for March 6, 2007 Publication  
Answer due March 2, 2007**

**Answer from Senator Charlie Huggins, District H (Rural Mat-Su/Chugiak)**

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**Question: Other than the gas line, what are your priorities for this session?**

The 2007 Legislative Session creates high expectations, with Governor Palin being overwhelmingly popular and full of energy and charisma, and with multiple new faces in the Senate and House of Representatives.

As the Chair for the Senate Resource Committee, the "800-pound gorilla" issue continues to be the gas pipeline. The fiscal size, cost parameters, and geo-politics inherent in a project of this order of magnitude are certainly major challenges. We must insure Alaskans understand and support the development process. All reasonable and feasible courses of action must be examined and support must be based on merit. A robust professional team, characterized by focus, integrity, and tenacity, should be assembled and allowed to function. It is important that dissenting opinions be heard. The process should be credible, timely, and transparent to average Alaskans.

Additionally, we must work to craft a comprehensive resolution to the PERS/TERS fiscal challenge. The \$8-billion, under-funded PERS/TERS system is the State's responsibility, with local government interaction. I support making a significant "first step" payment toward the under-funding this session. The solution to this challenge requires a comprehensive and long-term approach. A bonding concept may offer some partial solutions, but not without some risk profile.

Education, transportation, and public safety continue to be at the top of my priorities for the Valley and the State. I am hopeful that education funding will be decided early, thus enabling our school districts to plan in advance and stabilize staff retention. Early funding for Mat-Su continues to be critical due to ever-increasing growth in student enrollment and the demand for new staff hire.

I encourage you to contact our office to share your opinions, and also attend the Legislative Town Meetings in the Valley during the next two months. We want to know what you think.

Joint Legislative Gas Teleconference

Honorable Chair

Chair Charlie Huggins to Vic Varing

The Honorable Governor Sarah Palin and Honorable ~~members of the~~joint Legislature Senate Resources & House Oil  
member of the Joint CommitteeMy name is Don Benson—I was born and raised here in the Matanuska  
Valley—Along with my Parents ——— my Grandparents were 1935  
Colonists

I would like to take this moment to encourage the Entire Legislature to  
support the Governor's Natural Gas Pipeline Proposal— with take off  
points that include Alaska Cities and Villages.

The Governor's proposal will bring Natural gas to our Alaska Homes  
and Businesses.

Natural Gas is the cleanest and most reliable type of Heat and Power. It  
can be backed up with Hydroelectric, Wind, Solar, and what ever else  
may come along. We Had three 30% increases  
Last Year here in the Valley  
I am here to ask the legislature to Help bring the GAS home — We need  
to invest in THE Future of Alaska AND the United States first, so our  
children can afford to live here when we are gone as we have  
let the Gas sell itself  
Get Behind the Natural gas— We can't afford not to.

THANK YOU

for this chance to

DONALD A BENSON

Palmer

745-4913

**Notes and Date: Monday, April 2, -07**

**TO: Governor of Alaska, Legislature, Ladies and Gentlemen**

4

**ATTN: Senate Resource Committee and House Oil and Gas committee**

**FROM: Paul D. Kendall**

8

**REF: a request for testimony on Refinery, Utility, and Industrial User / purchasers**

12

**Please let us all complete this AGIA task together, share the endurance and expense, and have this done with and on record as it should be.**

16

**We need to see and hear testimony from a Major Refinery, Major Utility and a Major Industry User / purchaser for various reasons.**

**This should complete the picture of the "Fossil Fuel Energy Distribution Network and Association System"**

20

**I would suggest you call Nevada PUC in Reno and ask to talk to the chairman who overviewed the Nevada Power electric rates hearing in 2001, who suffered a Billion dollar loss overnight in a power trade with Enron OR, a call to California who suffered 38 billion dollars in losses in energy charges.**

24

**The above mentioned large losses were in the electricity end of the fuel. However; As I reflect, I seem to remember that the Energy Business is using some of the same Modes of Operation ( MOs) in sister sections; Another reason I suggest the above is because we need to see the mechanisms under which a state can lose such a large amount of money because we Alaskans are now potentially, in a larger monetary playing field...**

28

32

36

**We need to look at some cases of worst case events contrived or coincidental---the above have engaged such an event and should be able to give us insight to any down sides we are not aware of at this time.**

40

**We as in you and us all Alaskans, have a vested amount of time in this moment in our history "in this 30 years late learning up" of what we should have already known.**

44

**This historical public process you are currently creating is in essence a historical record and educational archive which will have long standing references for many reasons and for many years to come in Alaska. You may even be affecting many generations to come.**

Let us do this right and complete this Energy course so long overdo.

48

It is important for you ladies and gentlemen, as our leaders being the first to engage this moment brought to us by an unprecedented election of some magnitude of public awareness and "new energy" design, to reach out to set the bar, the standard, the degree of excellence, performance, public service, and finally, the content value of the archived testimonial data you will leave for posterity??

52

56

You see, if you look at the depth, breadth, and magnitudes of all of the players or components who have joined us at this intersection of history in Alaska, Then it does call on you each to rise to the occasion and accomplishment of those of larges around you!

60

Reflect on just a few of these stage fellows of associates of magnitudes of extremes for a moment;

64

--Purported New Age in Artic Area Exploration of new mineral wealth ( 25% of worlds ) do to Climate change

--Purported World Climate emergency

68

--The lowest rated Governor in the US.

--One of Alaska largest corruption unfolding in history

--The unprecedented election by the will of the people against nearly overwhelming odds of the new Governor Palin ( of new energy)

72

--The Largest proposed pipeline the history of the world

--The Larges Oil Companies in the World

--Perhaps one of the largest oil, gas, hydrates, etc. fields in the world

--One of the worlds largest mining projects on the horizon for Alaska

76

--I doubt your ready for this yet, but; Alaska may have a calling with destiny and of the stuff that dreams are made of : A Hydrogen Gas Moment in world history

--( for the record I am sure I have left out someone or something else!)

80

Will you rise to the level of the occasion and associations? Will you fly with the crows or soar with the Eagles? Will you be remembered as those of extreme failure do to a need for individual greed, or fears; or will you be more than you are or dreamed you could be?

84

As you the Senate Resource Committee and you the House Oil and Gas Committee wrap up your preliminary review of AGIA and pass it on to the next Committee for review

88

( Won't the next committees need a little time to come up to speed in reviewing the body of accumulated testimony and other information around your time spent in unfolding the AGAI role ? It seems to me just as it is with

92

technology now projected to double every 18 months ; So it is somewhat with energy needs and as well with the AGIA agreement, it to will also begin to build testimonial and factual data necessary to be reviewed in it fabric like design witch may require more time)

96

can you arrange for a Refinery, Utility, and Industrial end user / buyer to come before the Committees as a trailing and completing testimony for a completion of perspectives summation by your committees?

100

Especially if you consider (a) Alaska's need to develop a refinery capacity of some size or another for our infrastructure needs and When you look at all of the various gasses, chemicals, and other extractions from a barrel of fossil fuel oil ; (b) there must be many business here in Alaska that would find it interesting in reference to see which markets we might affect drastically or minimally by the many commercial components and applications of a refinery operation.

104

108

We have seen the birth and breach of OIL based energy, and currently under review is construction, finance edges, taxes, fees, and players involved in transmission. However: It is also important to see how the producers can direct into various market sectors via distribution or distributors the product so as to minimise profits at one point while maximising profits at another point because they have classified what used to be a "product" into a "commodity" status giving it a new realm of accountability and manageability..

112

116

( im too tired to talk about Industrial users and Purchasers except to say that some industries have considered negotiating directly with resource owners themselves to get around the unpredictability and volatility ( of price and availability too) of trying to feed the ever unpredictable and money needing "Fossil Fuel Distribution Network and Association System".

120

124

#### IMPORTANT---OTHER

Will you designate a competent and honorable team to gather all of the videos for every meeting around and on the AGAI meetings. Arrange for a safe repository site with the Attorney General, Museum Vaults and other places in the state like Anchorage, Fairbanks, etc.... Vaulted and fully backed up..

128

132

( including the old prior stranded gas testimonies)

Also, make good high quality copies, sequentially organize them in appropriate dates and titles

136

and have the various communities play them on local community cable channels in proper order – (again, only AGAI stuff) FYI – Gav to Gav has to pay big \$ for satellite transmission time to broadcast, I was told..

140

I think this is very important because we are all stock holders or stakeholders in our states assets and we are obligated to endure to understand their role just as you all have done and are doing on our part and behalf; not to mention for our children and their children.

144

As I heard Chairman Huggins say to the big producers ; “please, Help us so we can help you!”

148

While your finishing our course in fossil fuel energy from its cradle of discovery, to its many end uses and impacts --- OR --  
“ the Fossil Fuel Distribution Network and Associations System ”

152

Please set a standard of excellence and expectations that we are worthy of by having these meetings shown on local stations at length, so that we can refer to you along with your actions as an example of representing a truly free and open society when it comes to doing the “publics business in public”

156

In closing,

160

Respectfully and Sincerely,

Paul D. Kendall  
907-222-7882

164

-----  
We are all more than we are, or want to be, when we have to be more than we are!

168

This is your time, on our behalf, at this intersection in Alaskan History.

They probably won't remember us little folk; But history will never forget you!

172

I am sure you will all make us proud; because, if you don't, we along with your children's children will see it; Forever recorded in history, in color video .

176

Something to think about. Eh?



# **THE ALLIANCE**

... for responsible development of Alaska's Oil, Gas & Mineral Resources

## **SENATE RESOURCES / HOUSE OIL & GAS TESTIMONY**

**On SB 104 / HB 177**

**March 21, 2007**

Thank you for this opportunity to testify on Senate Bill 104 and House Bill 177, the Alaska Gasline Inducement Act. My name is Paul Laird, and I'm general manager and testifying on behalf of the Alaska Support Industry Alliance.

We're not ConocoPhillips, or BP, or ExxonMobil, or Anadarko or UltraStar. We're not Transcanada, or Enbridge or MidAmerican.

Our 400+ member companies generate more than 30,000 jobs for Alaskans by transporting the materials; drilling and servicing the wells; building the roads, flowlines and facilities; providing food, security and housekeeping services, and offering myriad other products and services that make oil, gas and mining activity possible in Alaska.

We understand the importance and the urgency of transforming Alaska's gas potential into a gas project. Our opportunity to market North Slope gas won't last forever. There's a very real risk of losing it if we don't act quickly.

Project costs are soaring. Lower 48 utilities are making long-term commitments for other fuel sources such as coal. The threat of our gas being displaced from our markets by LNG imports is growing, and North Slope oil production is declining. We commend the governor and her team for developing a plan so quickly after taking office and concur with the priorities set forth in SB 104 / HB 177.

Like you, Chairmen Huggins and Kohring and members of your committees, we at the Alliance are working diligently to understand the details and implications of the Alaska Gasline Inducement Act. We still have more questions and concerns than we do solutions, and we're committed to doing what we can to move the process forward efficiently and positively.

We're concerned about the \$500 million state matching contribution for costs a licensee incurs in acquiring a FERC certificate. It's unnecessary, and it may not be the best use of state funds. We're concerned about any provision that transforms pretenders into contenders for a state license, like conceding 4 additional years for a licensee lacking credit backing at the time of FERC certification to sanction a project. By the administration's timetable for FERC certification, this could delay first gas sales until the early to mid-2020s.

### **ALASKA SUPPORT INDUSTRY ALLIANCE**

**Do we really want Alaska's future in the hands of a licensee that needs a \$500 million contribution from the state in order to be viable, or one that lacks financing? The Alliance believes in having a level playing field for all applicants, but we oppose provisions that promote artificial parity among the players. Alaska's interests are best served if the most commercially viable project is built by the strongest possible developer.**

**We're concerned that there are no objective criteria for evaluating applications – for weighing the relative importance of various elements of the application, assessing the risks associated with each proposal and prospective developer and selecting a licensee in an open, fair and transparent manner. For Alaska's future, it's imperative that the applicants be judged on their performance and ability to deliver, not their promises.**

**We're concerned about any process mandating the state to choose a "winner" and promote a monopoly at the expense of other prospective project developers. Alaska's history is strewn with the remnants of projects for which the state picked "winners," and there's too much at stake with the gas pipeline to allow that kind of dubious history to repeat itself.**

**Finally, we're concerned about the same critical issue that concerns many of you: If we build it, will they come? ... Once the state chooses a licensee to build a pipeline, will the producers come to the open season?**

**We believe the Alaska Gasline Inducement Act, as currently drafted, puts too much emphasis on mitigating the short-term financial risks incurred by pipeline builders and does too little to address the much longer-term risks of gas shippers. Upstream issues like real long-term tax stability and construction of a gas treatment plant need to be resolved first if Alaska truly wants North Slope producers to commit their gas to a project.**

**The Alaska Gasline Inducement Act may represent our last and best chance at making a North Slope gas project a reality. We urge you to fix it and pass it, and we pledge our full support of your efforts to craft a bill that acknowledges the interests of Alaskans, of the developer and transporter and of North Slope producers and shippers.**

**We look forward to working with you and with the governor and her team to help transform our enormous gas potential into decades of clean, reliable domestic energy for Americans and generations of prosperity for Alaskans. Thank you.**

**Sharon Long**

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**From:** Sen. Charlie Huggins  
**Sent:** Tuesday, March 27, 2007 1:36 PM  
**To:** Sharon Long  
**Subject:** FW: Is this true?

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**From:** Thomas & Sherry Whitstine [mailto:tswhit@matnet.com]  
**Sent:** Tuesday, March 27, 2007 12:12 PM  
**To:** tswhit@matnet.com  
**Subject:** Is this true?

<http://www.reuters.com/article/companyNewsAndPR/idUSN2638746720070326>  
Is this true?

**Please tell me that the hearings are not just a big act, a dog and pony show. It is unbelievable that the same individuals who denied the passing of Governor Murkowski's plan because you thought the contract was too much of a giveaway, would not see that Sarah's perverted plan is worse then that. So all of the legislators, Alaskan people, Drue Pearce and the President are so excited about this act of creating the terms of private business and the open market by a state? Are you flippin kidding me? That is called socialism, in any case it is the opposite of capitalism! How can there so much support for a crazy non starter plan? When some of you had NO support for the contract in front of you last year? Previous contract is very detailed, includes many of the details that should be compared to agla. We had all the state agencies, sponsors, state statutes and contractors already onboard and considered the investment. Please consider what we had to what we get with this nonsense.**

<http://www.revenue.state.ak.us/gasline/ContractDocuments/>

Please forward to appropriate committee members

*pub. testimony***Sharon Long**

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**From:** Sen. Charlie Huggins  
**Sent:** Friday, March 30, 2007 3:34 PM  
**To:** Sharon Long  
**Subject:** FW: \*\*\*\*\*SPAM\*\*\*\*\* NATURAL GAS LINE

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**From:** Willie P Thomas [mailto:wthomas57@hotmail.com]  
**Sent:** Friday, March 30, 2007 2:27 PM  
**To:** Rep. Harry Crawford; Rep. Gabrielle LeDoux; Rep. Richard Foster; Rep. Nancy Dahlstrom; Rep. Vic Kohring; Sen. Gary Wilken; Rep. Bob Lynn; Rep. Kurt Olson; Rep. Mark Neuman; Sen. Hollis French; Sen. Charlie Huggins; Rep. Bill Stoltze; Rep. Berta Gardner; Sen. Kim Elton; Rep. Ralph Samuels; Sen. Tom Wagoner; Sen. Fred Dyson; Rep. Mike Chenault; Sen. Gene Therriault; Rep. Jay Ramras; Sen. Lesil McGuire; JIM ELKINS; Sen. Lyda Green; Rep. Paul Seaton; Rep. Carl Gatto; Rep. Les Gara; Rep. John Harris; Rep. Mary Nelson; Sen. John Cowdery; Sen. Gary Stevens; Rep. Woodie Salmon; Rep. Mike Kelly; Sen. Johnny Ellis; Rep. Peggy Wilson; BILL THOMAS JR; Sen. Con Bunde; Rep. Sharon Cissna; Sen. Albert Kookesh; Sen. Lyman Hoffman; Rep. Max Gruenberg; Sen. Bert Stedman; Rep. Mike Hawker; Sen. Donny Olson; Rep. John Coghill; Sen. Bettye Davis; Rep. David Guttenberg; Rep. Kevin Meyer; Rep. Beth Kerttula  
**Subject:** \*\*\*\*\*SPAM\*\*\*\*\* NATURAL GAS LINE

AS THE STATE LEGISLATURE BEGINS WORKING ON A STATE GASLINE THAT BY CONSTITUTIONAL DEMAND THAT ALL NATURAL RESOURCES BE SHARED WITH ALL ALASKANS, IT IS MY WISH THAT AS YOU DELIBERATE THE GOVERNORS LEGISLATION, YOU WILL KEEP IN YOUR MIND THAT IF A EXTENSION LINE BE INCLUDED TO ANCHORAGE, FAIRBANKS, GLENNALLEN AND ANY COMMUNITY IN THE VICINITY OF THE GASLINE, YOU WILL INCLUDE LEGISLATION THAT WILL INCLUDE IN THIS LAW THE ISSUE OF HIGH HEATING OIL AND GAS FOR RESIDENTS OF ALL RURAL AREAS. I ALSO BELIEVE THAT A STUDY BE MADE AVAILABLE ON THE STATE WEB SITE ALL CURRENT HEATING OIL AND GAS RETAIL PRICES.

RIGHT NOW HERE IN KOTZEBUE, ALASKA FOR A 53 GALLON DELIVERY OF HEATING OIL IS IN THE RANGE OF \$250.00 - 260.00, WHICH IN MOST CASES IS GOOD TO LAST FOR AT LEAST TWO WEEKS. THIS DOES NOT PAINT A VERY IN ENCOURAGING FUTURE FOR THE RURAL COMMUNITIES WITH THE UNCHECKED HIGH PRICES BEING PASSED ON TO THE CUSTOMERS.

IN CLOSING, I COMMEND YOU ALL FOR GIVING YOUR TIME AND THANK YOUR FAMILY FOR SHARING YOU FOR ALL OF US IN THE STATE.

WILLIE THOMAS  
KOTZEBUE, ALASKA

## NEW WAVE TECHNOLOGIES

**Henry Kroll, President**

513 PENINSULA

KENAI, ALASKA 99611 (907) 252-1390

Governor, Sarah Palin and Legislators  
PO Box 110001  
Juneau, Alaska 99811

Dear Governor Palin:

I don't get involved in the affairs of government very often but when I see plans that make absolutely no sense I feel compelled to speak out. Sometimes governments get so intoxicated with visions of grandeur that it overrules common sense. I know you have gone over many of the technicalities of building the gas pipeline hundreds of times in the past but maybe, just maybe we can shed a little light on the subject. My business partner who has years of experience overseeing and constructing gas pipelines suggested that I write this letter. It is in all our best interests to keep the construction costs down commensurable with production and available markets so that all parties involved will best served and the gas will get to market sooner.

### 54-INCH LINE VERSES A 48-INCH LINE

1. So what if we pump all the gas from the north slope gets pumped south in 50 years instead of 40. The additional gas pumped through a 6-inch larger diameter pipe won't make much difference. If you are pumping more gas through the larger pipe it will take larger pumps that have to be specially made. The additional costs to build the bigger pumps could run the cost up a billion dollars. The additional gas used to operate the pumps will nullify any additional profit from the larger diameter pipe.
2. The pipe isn't available for a 54-inch-diameter line so it will have to be special made at much additional cost. It will probably have to be made in Japan or China not America so Americans will loose jobs.
3. If the 48-inch pipe were made with heavier steel it would last much longer and be less susceptible to accidental earthquake rupture or terrorist attack.
4. We hear that you plan on running the gas into a gas line in Alberta, Canada. If the Canadian line is only three-feet in diameter there is no point in running a 48 or even a 54-inch gas line all the way down there because there is no way it can handle it.
5. The economy is going down hill in Michigan and other surrounding states so there is guarantee that you can sell all the gas when it gets there.
6. They don't have enough sod booms available to lower the larger gas line into the ditch and it will take time to make more adding another billion to the construction project.
7. They don't have a pipe bender big enough to handle 54-inch pipe so they will have to specially built adding many millions to the project.
8. The back-hoe buckets got to be at least 60-inches wide or larger to dig the ditch for the 54-inch pipe. When you go around a bend the ditch has to be even wider requiring extra time to dig the ditch running the costs up installing the larger pipe. Caterpillar or some

40 ft  
lines

- does  
10 speed  
web of  
pipe

other company will have to construct the specially made back-hoe buckets adding millions to the cost of the project.

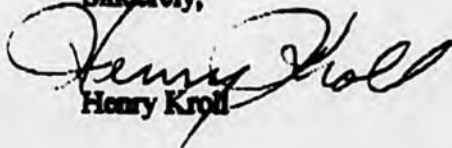
9. It takes gas to pump gas and on that long a line its going to cost 43% of the gas to get it to Chicago.

10. A 48-inch line is the biggest you need to go and if you need more gas later on you can put in several 10 to 20-mile-stretches of parallel lines along side. You will need extra capacity to pump gas uphill grades for twenty or thirty miles when traveling through Canada. The flow can be greatly increased (almost doubled) by putting in 10 to 20-mile-long parallel lines on the uphill grades. This will also reduce the pumping costs and has been proven very feasible in Europe. You may have to hire a German Engineer to plan this.

### BOTTOM LINE

It will cost ten billion less if you put the gas line in with 48-inch-diameter pipe. The gas will get to market sooner, the state government will have money coming in sooner and the gas line will last much longer with the heavier pipe. If you go with the 54-inch pipe, the project might be delayed ten years. We would appreciate it if you would pay us 5% of any savings derived from utilizing the suggestions made in this letter.

Sincerely,



Henry Kroll

**Sharon Long**

**From:** Sen. Charlie Huggins  
**Sent:** Tuesday, March 27, 2007 4:58 PM  
**To:** Sharon Long  
**Subject:** FW: Comments on AGIA

**From:** Joey Brockhouse [mailto:wolfcrow@earthlink.net]  
**Sent:** Tuesday, March 27, 2007 2:31 PM  
**To:** Sen. Charlie Huggins  
**Subject:** Comments on AGIA

I am concerned that producers will be given too much control in the gas line process. The producers will push for a monopoly on the gas line and if they get it Alaska loses. Open bidding is in all Alaskans best interest. We are in a free market economy. Supply always follows demand in an open or black market. Competition always results in a better deal for consumers. When a pipeline is finished the producers will have to use it. It is better to sell the gas at any price than to waste money pumping back it into the ground.

The oil companies are once again counting on threats to fool the legislature into making a bad deal for Alaska. Exxon still hasn't fulfilled it's promise to make Alaskans whole after the Exxon Valdez oil spill and it has cost us billions of dollars. Every person that has died and will die saves them money and Exxon is counting on it. Why trust a word they have to say?

"Fool me once shame on you, fool me twice shame on me."

I hope that you will make the right choice.  
 Joey Brockhouse

-----Original Message-----

**From:** "Sen. Charlie Huggins"  
**Sent:** Mar 23, 2007 1:58 PM  
**To:**  
**Subject:** Update on committee hearings on AGIA

## **Alaska Gas Inducement Act (AGIA) Hearings**

### **Senate Resources Committee Schedule For Saturday, March 24 – Sunday, April 1**

*Unless otherwise noted all meetings are held in the Butrovich Room 205*

**Note: Irregular Time Schedule and Extra Meetings This Week**

**Saturday, March 24, 1:00 - 3:00 - Senate Finance Room**

Joint meeting with House Special Committee on Oil & Gas

**SB 104 / HB 177 - Natural Gas Pipeline Project**

**Public Testimony - Time Limit may be set**

**Saturday, March 24, 3:00 - 5:30**

**SB 104 - Natural Gas Pipeline Project**

**Testimony - Listen only**

**Monday, March 26, 3:30 – 7:30**

**SB 104 - Natural Gas Pipeline Project**

**Presentation: Industry: Trans Canada; Alaska Gasline Port Authority; Testimony:  
 By Invitation**

**Tuesday, March 27, 3:00-6:00**

**SB 104 - Natural Gas Pipeline Project**

**Presentation: Industry: Enbridge Testimony: By Invitation**



# THE ALLIANCE

... for responsible development of Alaska's Oil, Gas & Mineral Resources

## - Position on the Alaska Gasline Inducement Act - Senate Bill 104 / House Bill 177

First and foremost, the Alliance wants a gas project ... sooner rather than later, and with the greatest long-term benefits for the State of Alaska, Alaskan workers, Alaskan businesses and all Alaskans. North Slope gas commercialization holds the key to Alaska's future.

We understand the importance and urgency of transforming our gas potential into a gas project. The opportunity to market our gas won't last indefinitely, and there's a very real risk of losing it altogether if we don't act quickly. Project costs are escalating, prospective utility customers are making long-term commitments for other fuel sources (such as coal), the threat of being displaced from key markets by LNG imports is growing, and North Slope oil production continues to decline. Given the long lead time for a gas project and gas revenues flowing into state coffers, this puts Alaska's fiscal future in further peril.

The Alliance commends the governor and her team for developing a plan quickly after taking office and concur with the general principles set out in the legislation. We also believe the Alaska Gasline Inducement Act will fail in its objective of achieving a gas project unless changes are made prior to passage:

**Bid requirements set out in the bill are too prescriptive and should be replaced with broad objectives (e.g., ensuring pipeline access for explorers and ensuring access to in-state supplies).** As currently stated, the bid requirements will limit competition in the bidding process, as well as creativity in satisfying the state's needs. There may be more than one way to reach mutually beneficial outcomes, and the prescriptive nature of the current bill guarantees they'll never be explored. It also likely will preclude some prospective applicants from participating.

**The bill places too much emphasis on mitigating the short-term financial risks incurred by the pipeline builder and too little to address the much longer-term and greater risks of gas shippers.** As more than one pipeline company has testified during the legislative process, "no producers, no project." The bill offers shippers little more than a non-binding "trust me" commitment for fiscal stability lasting a fraction of the project life, and does nothing to fix gas severance tax rates that even the administration admits are too high (22.5%).

**The \$500 million incentive is unnecessary and imprudent.** The legislature's decision to make it a bid variable rather than a bid requirement was a step in the right direction. With one exception, companies that have testified have said the handout isn't needed, and we don't believe it's the best use of state funds, either. We're concerned about any provision that turns pretenders into contenders for a state license, and we're skeptical about placing Alaska's future into the hands of an entity that requires a \$500 million contribution in order to pursue a \$30 billion project. Applicants that need to be "bought" with the \$500 million may not be worth acquiring.

### ALASKA SUPPORT INDUSTRY ALLIANCE

The process promotes a monopoly, and the state has an abysmal record of picking "winners." Alpetco. Healy clean coal. Delta barley. Alaska Seafood International. Alaska's history is strewn with the remnants of projects for which the state picked "winners," and the gas line legislation is based on the same dubious premise. The state should be doing whatever it can to promote any viable gas project, but the Alaska Gasline Inducement Act virtually guarantees that the licensee picked by a pair of commissioners will be the only game in town. Provisions like treble damages for granting streamlined permitting, state-funded training and the services of a pipeline coordinator to a competing project need to be amended to eliminate "exclusivity."

Existing shippers should not be forced to subsidize expansion shippers by sharing the cost of pipeline expansions. The bill attempts to pre-empt the authority of the Federal Energy Regulatory Commission (FERC) to administer access, expansion and tariff issues by dictating rolled-in tariff rates for expansions that would increase rates as much as 15%. Let FERC do its job. If the state believes an expansion is in Alaska's best interest and is eager to contribute public funds to the project without securing equity, it could underwrite pipeline expansions in order to maintain tariff rates. There may be instances - for example, gas production from federal OCS acreage - when rolled-in rates aren't in the state's interest, either.

The bill needs clear and objective criteria for evaluating applications. This is fundamental to having an "open and transparent process." Recent legislative amendments dictating that proposals be judged on the basis of net present value to the state and the applicant's ability to deliver on its promises enhanced the bill, and further specificity is needed.

Safeguards against construction cost overruns for the state and shippers are inadequate. Both the state and shippers need to be involved in and have oversight of a project execution plan that provides the greatest netbacks at the wellhead. A third-party pipeline builder with no production interests will have no incentive to reduce costs and no ability to "guarantee" the tariff in advance.

The Alaska Gasline Inducement Act may be our last and best chance to make a North Slope gas project a reality, but only if it's fixed before it's passed. In order to succeed, the bill must acknowledge the interests of Alaskans, of the developer and transporter and of North Slope producers and shippers.

*April 19, 2007*

**Backbone II**  
P.O. Box 101700, Anchorage, AK 99510-1700

**Comments on the AGIA legislative hearings**  
**and two suggested amendments**

April 16, 2007

Senator HUGGINS Fax (907) 435 3265

Dear Senator:

We have been watching the hearings on AGIA closely, and we offer the following thoughts:

First, thank you for the attention you are giving this important matter and the questions you are asking to bring out the true interests of the participants.

It has been fascinating to see the producers answer your questions in an open and transparent process. What we hear them saying is that they are against exclusivity because a licensee will be picked based on specific criteria important to Alaska.

This is the height of hypocrisy, since they strongly supported the exclusivity granted them by the previous administration. Although they are trying to dress it up a little, they are clearly arguing to return to the exclusive arrangement they had under the Stranded Gas Act. That would be a disaster for Alaska.

The producers are also saying that they must have fiscal certainty for 35 to 45 years on oil and gas, or they will not commit their gas to the project. We think that would be highway robbery, and it is also almost certainly unconstitutional. Even Pedro Van Meurs said, "You don't have to be a 'banana republic' to get a gasline project."

Although the producers keep saying that they are the only ones who can build an Alaskan gasline, that is patently untrue. You have already heard testimony from several credible applicants that they can build this project using the federal loan guarantees. All they lack is access to a gas supply. The producers have stated that they can and will sell their gas to a third party, and we think that is a clear path to the best gasline project.

We also question whether allowing the producers to own the gasline is a good idea. Look at the current situation with the trans-Alaska oil line, where the RCA

and the State Superior Court have found the producers overcharging on their tariff by 59%. The federal government also recognized this problem, and in the initial Natural Gas Transportation Act, the producers were prohibited from owning the gasline. However they convinced President Reagan to overturn this requirement.

The bottom line is that Alaska has options, and we support the process laid out in AGIA which will allow competition for providing the maximum benefits to Alaska.

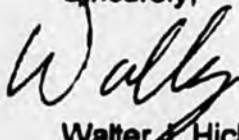
We suggest two amendments that will strengthen AGIA:

1. An evaluation criterion should be added that gives credit to an applicant that has made arrangements for providing gas liquids for value-added processing in Alaska. To have a pipeline without in-state value-added processing and the jobs it will provide would be a major blunder.
2. The state should assess a reserves tax on a North Slope leaseholder that holds existing gas reserves and refuses to make firm transportation commitments or sell the gas it controls to the AGIA licensee.

This latter provision would help guarantee a successful Open Season and a gasline built on an expedited basis.

Thank you for considering our thoughts, and keep up the good work.

Sincerely,



Walter J. Hickel  
Co-Chair



David Gottstein  
Co-Chair

*Backbone II is a non-partisan citizen organization that advocates on behalf of Alaskans on oil and gas development issues. We offer our ideas based on their merits and years of involvement in Alaska public policy issues.*

# Alaska State Public Opinion Message System:

Sen Charlie Huggins's office

Filter applied is: Constituent

## Messages About all

There are 3 Constituent messages about this subject

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[Delete all messages about all](#)

Sort messages by: <District> or Date or Last Name or Subject

### Messages

<b>Constituent/Non-Constituent</b>	<b>Saved/ Not Saved</b>
<u>Thomas Cappiello</u> of Anchorage (16) wrote the following message On 1/20/2007 at 20:02 about <i>Oil &amp; Gas</i>	

**Message:**

I am concerned about natural gas supplies in South-central Alaska. Everything in my house depends on natural gas. North Slope gas will not be available before Cook Inlet supply is insufficient. You should take this issue seriously. Exporting gas is not a good idea, we need it here.

Message was delivered by Pom

[View Case](#)   [Delete case](#)

**Contact Info:**

Thomas Cappiello  
 3705 Arctic Blvd Pmb 2081  
 Anchorage AK, 99503-5774  
 Work:907-267-2395  
 Home:907-746-2039  
 Email:[muchohucho@yahoo.com](mailto:muchohucho@yahoo.com)

Palmer constituent - Dist. 16

<b>Constituent/Non-Constituent</b>	<b>Saved/ Not Saved</b>
<u>Andrew Drabeck Jr</u> of Palmer (16) wrote the following message On 1/22/2007 at 11:48 about <i>Fish &amp; Game (fish)</i>	

**Message:**

I am opposed to allowing a foreign government to restrict my access to Alaska resources as provided by the constitution of the State of Alaska. Commercial fisherman throw back more fish than sport fisherman are allowed to take. 85% catch of halibut is too much for commercial fisherman.

Case currently assigned to: Sharon Long

Message was delivered by Pom

[View Case](#)   [Delete case](#)

**Contact Info:**

Andrew Drabeck Jr  
 Po Box 2828  
 Palmer AK, 99645

Art Drabeck - 746-4955 (only one listed)

<b>Constituent/Non-Constituent</b>	<b>Saved/ Not Saved</b>
<u>Andrew Drabeck Jr</u> of Palmer (16) wrote the following message On 1/22/2007 at 12:04 about <i>Miscellaneous</i>	

**Message:**

I oppose giving free medical and educational benefits to criminal illegal aliens in Alaska. I would like to see a law that punishes people who aid and abet criminal illegal aliens in Alaska.

Message was delivered by Pom



**UNITED ASSOCIATION**  
of Journeymen and Apprentices of the  
Plumbing and Pipe Fitting Industry of  
the United States and Canada

*William P. Hirt*  
General President

*Patrick R. Patis*  
General Secretary-Treasurer

*Stephen F. Kelly*  
Assistant General President

**Founded 1889**

UA Local Union:

Letters should  
be confined to  
one subject

Subject:

**Senator Charlie Huggins, Vice-Chairman  
Alaska State Legislature  
State Capitol (MS 3100)  
Juneau, Alaska 99801-1182**

**April 26, 2007**

**Dear Senator Huggins,**

**My name is Jim Laiti. I'm a lifelong resident of Alaska and represent approximately 500 members of Plumbers and Pipefitters Local 375. I'm writing in support of including a Project Labor Agreement requirement in the AGIA Legislation. In order to maximize Alaskans opportunities to be a part of a gasline project the assurance from a PLA is critical.**

**If I can provide any information please call (907) 479-6221.**

Thank you,

Jim Laiti

Sharon Long

**From:** Jeff Turner  
**Sent:** Wednesday, May 09, 2007 4:20 PM  
**Subject:** FW: Press Release: Governor Palin Recognizes and Thanks Alaska Communities for AGIA Resolutions  
**Attachments:** PR 07-113 Governor Palin Recognizes and Thanks Alaska Communities for AGIA Resolutions 050907.doc



FOR IMMEDIATE RELEASE

07-113

**Governor Palin Recognizes and Thanks  
 Alaska Communities for AGIA Resolutions**

May 9, 2007, Juneau, Alaska – Governor Sarah Palin today thanks Palmer, Wasilla, the Matanuska-Susitna Borough, and Fairbanks for their resolutions in support of the Alaska Gasline Inducement Act (AGIA).

"With less than one week to go in the legislative session, I sincerely appreciate our communities across the state going out of their way to express support for AGIA," said Governor Sarah Palin. "This legislation is so important for our state's future and I look forward to the next stage of bringing Alaska's gas to market."

On Monday, May 7, 2007, the Fairbanks City Council unanimously approved Resolution No. 4276. Mayor Steve Thompson introduced the resolution supporting passage of the Alaska Gasline Inducement Act to encourage the expedited development of Alaska's natural gas resources.

The next evening, May 8, 2007, the ~~Palmer City Council~~ approved Resolution No. 07-006 supporting passage of AGIA and encouraging the 25<sup>th</sup> Legislature of Alaska to finalize passage of AGIA prior to the conclusion of the current legislative session. Mayor John Combs introduced the resolution.

Also on Tuesday, May 8, 2007, the ~~Matanuska-Susitna Borough Assembly~~ approved Resolution Serial No. 07-055, sponsored by Mayor Curt Menard and Assembly Member Cindy Bettine. The resolution also states its support for passage of AGIA and urges the Legislature to complete passage by the end of the current legislative session.

These three resolutions follow the ~~Wasilla City Council's Resolution~~ Serial No. 07-14 supporting passage of AGIA. City Council Member Greg Koskela sponsored the resolution which passed unanimously on April 23, 2007.

###

*attached*

*attached*

*attached*

*Support Gov's bill pass by end of this session*

Introduced by: Mayor Combs  
Date: May 8, 2007  
Action: Adopted  
Vote: 6-1

Yes:	No:
Erbey	Pippel
Vanover	
Wood	
Best	
Hanson	
Combs	

CITY OF PALMER, ALASKA

RESOLUTION NO. 07-006

A RESOLUTION OF THE PALMER CITY COUNCIL SUPPORTING PASSAGE OF THE ALASKA GASLINE INDUCEMENT ACT (AGIA), PROVIDING A MEANS FOR THE TIMELY DEVELOPMENT OF NATURAL GAS RESOURCES FOR THE STATE OF ALASKA

WHEREAS, Alaska's principal financial wealth is generated by the natural resources found throughout the State of Alaska; and

WHEREAS, to continue further development of these natural resources it is crucial to bring Alaska's natural gas to viable markets; and

WHEREAS, a means of delivering Alaska's natural gas to market is not only vital to the economic, energy, and security needs of Alaska, but also the economic, energy, and security needs of the United States of America; and

WHEREAS, The Alaska Gasline Inducement Act (AGIA) introduced by Governor Palin provides the necessary and timely format for the creation of a natural gas pipeline needed to achieve the task of getting Alaska's natural gas to market; and

WHEREAS, AGIA provides for an open and competitive environment to any company who has an interest in getting Alaska's natural gas to market; thereby maximizing the benefits of a natural gas pipeline for the citizens of Alaska.

NOW THEREFORE LET IT BE RESOLVED that the City of Palmer supports the passage of the Alaska Gasline Inducement Act introduced by Governor Palin and encourages the 25<sup>th</sup> Legislature of Alaska to finalize passage of AGIA prior to the conclusion of the current Legislative session.

Passed and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

\_\_\_\_\_  
John C. Combs, Mayor

\_\_\_\_\_  
Janette M. Bower, CMC, City Clerk

Sponsored by: Mayor Menard and C. Bettine  
Action:

**MATANUSKA-SUSITNA BOROUGH  
RESOLUTION SERIAL NO. 07-055**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY SUPPORTING  
PASSAGE OF THE ALASKA GASLINE INDUCEMENT ACT (AGIA).

WHEREAS, Alaska's great wealth is embodied in the natural resources of the State; and

WHEREAS, in a time of declining oil production it is appropriate to further develop Alaska's natural gas resources; and

WHEREAS, a timely process of getting Alaska's natural gas to market, is not only vital to the economy and the energy needs of Alaska, but to the economy and the energy needs of the United States; and

WHEREAS, a natural gas pipeline is needed to achieve the task of getting Alaska's natural gas to any market; and

WHEREAS, the Alaska Gasline Inducement Act (AGIA) introduced by Governor Palin provides the necessary elements to achieve the timely development of a natural gas pipeline; and

WHEREAS, AGIA provides for a level playing field with transparent and open competition for all those that have an interest in getting natural gas to market; and

WHEREAS, AGIA leverages Alaska's interests in such a way, as to maximize the benefits of a natural gas pipeline for the people of Alaska.

NOW, THEREFORE, BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly supports the timely development of Alaska's

natural gas resources; and

BE IT FURTHER RESOLVED, that the Matanuska-Susitna Borough Assembly supports passage of the Alaska Gasline Inducement Act (AGIA) and urges the 25<sup>th</sup> Legislature of Alaska to complete passage of AGIA by the end of the current legislative session.

ADOPTED by the Matanuska-Susitna Borough Assembly this - day of -, 2007.

CURTIS D. MENARD, Borough Mayor

ATTEST:

MICHELLE M. MCGEHEE, CMC, Borough Clerk

(SEAL)

Requested by: Council Member Greg Koskela  
Meeting Date: April 23, 2007  
Adopted: April 23, 2007  
Vote: Cox, Ewing, Holler, Koskela, Menard, and Motiva in favor

**CITY OF WASILLA  
RESOLUTION SERIAL NO. 07-14**

**A RESOLUTION OF THE WASILLA CITY COUNCIL SUPPORTING PASSAGE OF  
THE ALASKA GASLINE INDUCEMENT ACT (AGIA) IN ORDER TO PROVIDE A  
MEANS FOR THE TIMELY DEVELOPMENT OF ALASKA'S NATURAL GAS  
RESOURCES.**

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WHEREAS, Alaska's great wealth is generated by the natural resources of regions, communities and cities throughout the State; and

WHEREAS, in a time of declining oil production, it is necessary and vital to further develop Alaska's Natural Gas resources; and

WHEREAS, a timely process of getting Alaska's' natural gas to market, is not only vital to the economy and the energy needs of Alaska, but to the economy and the energy needs of the entire United States; and

WHEREAS, a natural gas pipeline is needed to achieve the task of getting Alaska's natural gas to any market; and

WHEREAS, the Alaska Gasline Inducement Act (AGIA) introduced by Governor Palin provides the necessary elements to achieve the timely development of a natural gas pipeline; and

WHEREAS, AGIA provides for a level playing field with transparent and open competition for all those that have an interest in getting natural gas to market; and

WHEREAS, AGIA leverages Alaska's interests in such a way, to maximize the benefits of a natural gas pipeline for the people of Alaska.