

# STATE OF ALASKA

## THE LEGISLATURE

1979

Source

Legislative  
Resolve No.

CSHCR 20 am

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Relating to the financial and Alaska impact plan submitted by the Alaska Gas Pipeline Financing Authority.

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

WHEREAS, if the state makes a final determination that production of natural gas from the Prudhoe Bay reservoir will be consistent with optimal recovery of oil and gas from the reservoir, and if the Congress of the United States and federal regulatory agencies take favorable action with respect to matters of Alaska natural gas policy, then timely construction of the Alaska Highway natural gas pipeline project will be in the best interest of the state and of the United States; and

WHEREAS state assistance to the financing of the project may promote an essential public purpose in assuring timely transportation to market of Prudhoe Bay natural gas; and

WHEREAS the project is essential to the development of the natural resources and the long-term economic growth of the state, and will directly and indirectly provide employment in the state; and

WHEREAS additional benefits to Alaska from the project include increased state and local tax revenues, enhanced availability of natural gas for Alaska communities, and stimulus and expansion of the private sector economy, including greater potential for development of in-state manufacturing, refining and processing facilities; and

WHEREAS construction of the project is a matter of state-wide concern; and

WHEREAS it may be a public purpose of the State of Alaska to promote timely completion of the project and to that end the state has created the Alaska Gas Pipeline Financing

Authority, an instrumentality empowered to sell revenue bonds, the interest on which is exempt from federal income tax except when held by a substantial user or related person as these terms are defined in sec. 103 of the Internal Revenue Code of 1954, as amended, and to use the proceeds to purchase or otherwise acquire obligations issued with respect to the project; and

WHEREAS an amendment by Act of Congress to sec. 103 of the Internal Revenue Code of 1954, as amended, is required if the authority is to be empowered to sell revenue bonds, the interest on which is exempt from federal income tax; and

WHEREAS the establishment of the authority is the state's sole direct or indirect financial support of the project unless the legislature approves equity-related state financing; and

WHEREAS there are still many unresolved issues with respect to engineering, technical, financial and regulatory matters relating to the project which make a final and complete financial and Alaska impact plan under AS 44.55.100 impossible at this time; and

WHEREAS because of these unresolved matters the Alaska Gas Pipeline Financing Authority has recommended in its financial and Alaska impact plan that the plan be approved on the conditions that no bonds be sold until the plan is amended and approved by the legislature, that the amendments include definitive answers to all matters presently unresolved, unanswered or undocumented, and that all matters reported upon in the present plan be expounded upon and detailed in greater specificity to the legislature;

BE IT RESOLVED by the Alaska State Legislature that the financial and Alaska impact plan be accepted with the following conditions:

(1) no bonds may be sold until the plan is amended by the Alaska Gas Pipeline Financing Authority and approved by the legislature by concurrent resolution; and

(2) the amendments shall include definitive answers under AS 44.55.100 to all matters presently unresolved, unanswered, or undocumented and all matters reported on in the present plan shall be expounded on and detailed in greater specificity; and

(3) the amendments shall be submitted by the authority to the legislature by the first day of the Second Session of the Eleventh Legislature; and

(4) the legislature may by concurrent resolution approve the amendments with conditions concerning matters included in the amended plan, and the conditional approval becomes effective upon certification to the legislature by the authority that the authority has accepted the conditions and modified the plan accordingly.