

STATE OF ALASKA  
THE LEGISLATURE

2001

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Legislative  
Resolve No.  
32



Establishing the Joint Committee on Natural Gas Pipelines.

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

**WHEREAS** the North Slope of Alaska contains approximately 35 trillion cubic feet of known natural gas reserves and in excess of 100 trillion cubic feet of estimated natural gas resources; and

**WHEREAS** demand for natural gas in the lower 48 states is expected to experience record growth, rising from approximately 22 trillion cubic feet a year in 2000 to 30 to 35 trillion cubic feet a year in 2020; and

**WHEREAS** demand for liquefied natural gas in Asia and the Pacific is also expected to experience significant growth; and

**WHEREAS** demand for natural gas exists in the state, and, if a natural gas pipeline were built through Alaska along a southern route, many communities in the state could be supplied with natural gas; and

**WHEREAS** Alaska's North Slope natural gas is attractive to all of these markets; and

**WHEREAS** improved economics and technological advances have removed previously perceived barriers to the commercialization of Alaska's North Slope natural gas; and

**WHEREAS** it is widely recognized that maximum benefit to Alaskans from the commercialization of North Slope natural gas lies in market exposure for Alaska North Slope gas reserves, opportunities for in-state use of the natural gas and for participation by Alaskans in construction, maintenance, and operation of the gas pipeline transportation project, and the recovery of revenue by the state from the development, transport, and sale of Alaska North Slope gas reserves; and

**WHEREAS** the North Slope Natural Gas Pipeline Group, composed of BP Alaska, Exxon Mobil, and Phillips Petroleum, is spending \$75,000,000 this year to study various routes and intends to file an application to transport natural gas from Alaska with the Federal Energy Regulatory Commission and the Canadian National Energy Board by the end of 2001; and

**WHEREAS** other entities, including Foothills Pipe Lines, Ltd., Yukon Pacific Corporation, and Alaska Gasline Port Authority, are in various stages of rapidly developing a natural gas pipeline; and

**WHEREAS** the best interests of the North Slope Natural Gas Pipeline Group and the other entities may or may not be compatible with the best interests of the state; and

**WHEREAS** the governor has expressed a preference for expedited consideration and development of a natural gas pipeline along the Alaska Highway route and has requested and received funds to conduct various studies regarding a natural gas pipeline, including the study of in-state natural gas demand, natural gas supply, a natural gas fiscal system, and the effect of natural gas sales on the Prudhoe Bay reservoir; and

**WHEREAS** the legislature has introduced a bill that requires the Department of Revenue to contract with an expert to study state ownership and financing of a natural gas pipeline, to issue a report by January 2002, and to meet with and share data with the legislature during the interim; and

**WHEREAS** the governor has established a Natural Gas Pipeline Policy Council that includes the president of the senate and the speaker of the house of representatives and that shall meet during the interim between legislative sessions and provide recommendations and a

final report by November 2001; and

**WHEREAS** several items are pending in the United States and Canada, including a bill in the United States Congress entitled the National Energy Security Act of 2001, the President's national energy policy, and similar action in Ottawa, that are expected to affect the development of Alaska's North Slope gas resources and that could be advanced during the interim; and

**WHEREAS** the Alaska State Legislature supports the commercialization of Alaska North Slope gas for the maximum benefit of the people of the state; and

**WHEREAS**, given the importance of a natural gas pipeline system and that the regime by which it is developed will have significant and lasting effects on the future of gas development within the state and on future state revenues, it is imperative that the administration and the Alaska State Legislature conduct a comprehensive, expedited review of the effects of a trans Alaska pipeline on the state and its people;

**BE IT RESOLVED** by the Alaska State Legislature that a Joint Committee on Natural Gas Pipelines is established to

(1) study issues relating to the proposed gas pipeline and collect information; the committee may hold hearings, if the committee considers hearings desirable, and may compel attendance by subpoena if necessary;

(2) hire consultants and experts;

(3) work with the federal and Canadian governments and agencies, the governor, the governor's staff, and outside consultants and experts; and

(4) take whatever action may be appropriate to ensure that the best interests of the state are protected; and be it

**FURTHER RESOLVED** that the Joint Committee on Natural Gas Pipelines shall consider what legislation should be adopted during the Second Regular Session of the Twenty-Second Alaska State Legislature to enhance the best interests of the state and shall report to the legislature on any recommended action within 15 days after the Second Regular Session convenes; and be it

**FURTHER RESOLVED** that the president of the senate and the speaker of the house of representatives shall jointly determine the number of senators and representatives to be members of the committee, appoint the committee members, and jointly designate a member

to chair the committee; and be it

**FURTHER RESOLVED** that the Joint Committee on Natural Gas Pipelines may meet during and between sessions of the Twenty-Second Alaska State Legislature and is terminated on the convening of the First Regular Session of the Twenty-Third Alaska State Legislature.