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**CS FOR HOUSE BILL NO. 369(RES)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY THE HOUSE RESOURCES COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): REPRESENTATIVES CHENAULT, Ramras, Olson**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to an in-state natural gas pipeline, the office of in-state gasline project**  
2 **manager, the Joint In-State Gasline Development Team, and the In-State Gasline**  
3 **Steering Committee; and providing for an effective date."**

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

5 **\* Section 1.** AS 38 is amended by adding new sections to read:

6 **Chapter 34. In-State Natural Gas Pipeline.**

7 **Sec. 38.34.010. In-state gasline project manager.** (a) The position of in-state  
8 gasline project manager is created in the Office of the Governor. The Office of the  
9 Governor shall provide administrative support for the position. The position shall  
10 continue until one year after commencement of commercial operation of the in-state  
11 natural gas pipeline.

12 (b) The governor shall appoint an individual to the position of in-state gasline  
13 project manager. The manager is in the exempt service under AS 39.25.110. The  
14 person serving as the in-state gasline project manager may be removed from the

1 position at the discretion of the governor, who shall appoint another person to the  
2 position.

3 (c) The in-state gasline project manager shall

4 (1) collaborate with other state agencies to perform planning and other  
5 work on the in-state natural gas pipeline project under this chapter;

6 (2) coordinate with government agencies and the private sector on  
7 issues involving construction, ownership, and operation of the in-state natural gas  
8 pipeline;

9 (3) prepare written monthly progress reports setting out the monthly  
10 expenditures of funds spent in the development of the in-state natural gas pipeline,  
11 including projections of future expenditures and efforts needed to develop the in-state  
12 natural gas pipeline, and submit each report to the legislature by the last day of the  
13 month immediately following the month covered in the report.

14 **Sec. 38.34.020. Expedited review and action by state agencies.** (a) A review  
15 conducted and action taken by a state agency relating to the in-state natural gas  
16 pipeline project under this chapter shall be expedited in a manner consistent with the  
17 timely completion of the project.

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

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

29 **Sec. 38.34.030. Joint In-state Gasline Development Team.** (a) The Joint In-  
30 state Gasline Development Team is established in the Office of the Governor. The  
31 team consists of four members as follows:

1 (1) the commissioner of transportation and public facilities, or the  
2 commissioner's designee;

3 (2) the chief executive officer of the Alaska Railroad Corporation;

4 (3) the chief executive officer of the Alaska Natural Gas Development  
5 Authority; and

6 (4) the in-state gasline project manager.

7 (b) The chief executive officer of the Alaska Railroad Corporation is the chair  
8 of the Joint In-state Gasline Development Team.

9 (c) The development team may hire staff, enter into contracts, and exercise  
10 other powers necessary to carry out its functions.

11 **Sec. 38.34.040. Duties of the development team.** (a) The Joint In-state  
12 Gasline Development Team shall ensure that construction is ready to begin on an in-  
13 state natural gas pipeline by July 1, 2011, and take actions necessary to enable natural  
14 gas to flow down the pipeline by 2015.

15 (b) The Joint In-state Gasline Development Team shall

16 (1) select a route for an in-state natural gas pipeline that runs from the  
17 North Slope to tidewater that, to the extent consistent with other requirements of this  
18 subsection,

19 (A) is the most economical;

20 (B) will provide natural gas to residents at a reasonable cost;

21 (C) uses state land and existing state highway and railroad  
22 rights-of-way to the maximum extent;

23 (D) uses existing highway and railroad bridges, gravel pits,  
24 equipment yards, and maintenance facilities, and other existing facilities and  
25 resources to the maximum extent;

26 (2) identify land or rights-of-way that must be obtained for  
27 construction and operation of the in-state natural gas pipeline and take action  
28 necessary to enable the Department of Transportation and Public Facilities to acquire  
29 those interests;

30 (3) prepare plans and designs necessary for construction of the in-state  
31 natural gas pipeline;

1 (4) identify all permits and licenses needed to construct the in-state  
2 natural gas pipeline and proceed with applications for those permits and licenses;

3 (5) prepare and update estimates of construction and other costs of  
4 pipeline construction;

5 (6) take any action necessary so that construction may begin on the in-  
6 state natural gas pipeline by July 1, 2011, and report to the legislature by that date.

7 **Sec. 38.34.050. Cooperation and access to information.** (a) Notwithstanding  
8 other laws, the Joint In-state Gasline Development Team may have access to  
9 information of a state entity, including confidential information, that may relate to the  
10 in-state natural gas pipeline or prove useful in planning, design, construction, or  
11 operation of the pipeline. Confidential information received by the development team  
12 shall be kept confidential.

13 (b) All state agencies and other entities shall cooperate with and, except for  
14 requests from the Alaska Gasline Inducement Act coordinator (AS 43.90.250), give  
15 priority to requests for information from the Joint In-state Gasline Development Team.  
16 The development team shall avoid duplicating studies, plans, and designs that have  
17 already been produced or otherwise obtained by other state entities.

18 **Sec. 38.34.060. Conflicts of interest.** If a member of the Joint In-state Gasline  
19 Development Team acquires, owns, or controls an interest, direct or indirect, in  
20 property, an organization, or a business that might be affected by the in-state natural  
21 gas pipeline project or other matter under consideration by the development team, the  
22 member shall immediately disclose the interest to the development team. The  
23 disclosure is a matter of public record and shall be included in the minutes of the first  
24 meeting of the development team held after the disclosure.

25 **Sec. 38.34.070. In-state Gasline Steering Committee.** (a) The In-state  
26 Gasline Steering Committee is created in the Office of the Governor to provide advice  
27 to the Joint In-state Gasline Development Team. The steering committee consists of  
28 the

29 (1) president of the senate, or the president's designee;

30 (2) speaker of the house of representatives, or the speaker's designee;

31 (3) commissioner of commerce, community, and economic

1 development, or the commissioner's designee;

2 (4) commissioner of labor and workforce development, or the  
3 commissioner's designee;

4 (5) chair of the Regulatory Commission of Alaska, or the chair's  
5 designee;

6 (6) executive director of the Alaska Permanent Fund Corporation;

7 (7) executive director of the Alaska Industrial Development and  
8 Export Authority;

9 (8) executive director of the Alaska Housing Finance Corporation;

10 (9) following individuals appointed by the Joint In-state Gasline  
11 Development Team:

12 (A) an individual with financial background;

13 (B) an individual with oil or natural gas pipeline experience;

14 (C) an individual who represents a corporation organized under  
15 43 U.S.C. 1601 et seq. (Alaska Native Claims Settlement Act);

16 (D) an individual who represents a nonprofit corporation  
17 organized by a Native organization organized under federal law;

18 (E) an individual who represents an oil and gas trade  
19 association;

20 (F) an individual who represents a natural gas utility;

21 (G) an individual who represents an electric utility;

22 (H) an individual from the Office of the Federal Coordinator  
23 for Alaska Natural Gas Transportation Projects;

24 (I) an individual who represents the North Slope Borough;

25 (J) an individual who represents the Fairbanks North Star  
26 Borough;

27 (K) an individual who represents the Matanuska-Susitna  
28 Borough;

29 (L) an individual who represents the Municipality of  
30 Anchorage;

31 (M) an individual who represents the Kenai Peninsula

1 Borough;

2 (N) an individual who represents Delta Junction;

3 (O) an individual who represents Glennallen;

4 (P) an individual who represents Valdez;

5 (Q) an individual who represents the Denali Borough.

6 (b) The members appointed under (a)(9) of this section serve without  
7 compensation but are entitled to per diem and travel expenses authorized for boards  
8 and commissions under AS 39.20.180.

9 (c) The members of the steering committee shall select a chair and vice-chair  
10 from among the membership.

11 **Sec. 38.34.080. Duties of the steering committee.** (a) The In-state Gasline  
12 Steering Committee shall consider all aspects of the in-state natural gas pipeline  
13 project, including public or private construction of the pipeline, marketing of natural  
14 gas, a financing plan for pipeline construction, the purchase of natural gas from  
15 producers, maximizing hiring of residents in connection with the pipeline project,  
16 delivery and costs of natural gas to communities along the pipeline route,  
17 manufacturing opportunities for gas-to-liquids, plans for delivery and costs of  
18 liquefied natural gas or propane to Yukon river and coastal communities, and  
19 acquisition of natural gas market share sufficient to ensure the long-term feasibility of  
20 the in-state natural gas pipeline project.

21 (b) The Joint In-state Gasline Development Team may assign specific issues  
22 to the In-state Gasline Steering Committee for its consideration and recommendations.

23 (c) The In-state Gasline Steering Committee shall report its conclusions and  
24 recommendations to the Joint In-state Gasline Development Team.

25 **Sec. 38.34.090. Conflicts of interest and ethics.** (a) If a member of the In-  
26 state Gasline Steering Committee acquires, owns, or controls an interest, direct or  
27 indirect, in property, an organization, or business that might be affected by the in-state  
28 natural gas pipeline project or other matter under consideration by the steering  
29 committee, the member shall immediately disclose the interest to the steering  
30 committee. The disclosure is a matter of public record and shall be included in the  
31 minutes of the first meeting of the steering committee held after the disclosure.

1 (b) AS 39.52 does not apply to a member of the In-state Gasline Steering  
2 Committee appointed under AS 38.34.070(a)(9).

3 **Sec. 38.34.099. Definitions.** In this chapter,

4 (1) "in-state natural gas pipeline" means a pipeline for transporting  
5 natural gas that runs from the North Slope to tidewater in the state;

6 (2) "North Slope" means that area of Alaska lying north of 68 degrees  
7 North latitude.

8 \* **Sec. 2.** AS 39.25.110 is amended by adding a new paragraph to read:

9 (43) the in-state gasline project manager appointed under  
10 AS 38.34.010.

11 \* **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).