

ALASKA STATE LEGISLATURE

House of Representatives

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Sponsor Statement

CS for House Bill 16

“An Act amending, for purposes of the Alaska Stranded Gas Development Act, the standards applicable to determining whether a proposed new investment constitutes a qualified project, the standards used to determine whether a person or group qualifies as a project sponsor or project sponsor group, and the deadline for applications relating to the development of contracts for payments in lieu of taxes and for royalty adjustments that may be submitted for consideration, and modifying the conditions bearing on the use of independent contractors to evaluate applications or to develop contract terms; providing statements of intent for the Act relating to use of project labor agreements and to reopening of contracts; and providing for an effective date.”

[House Bill 16](#) is cleanup language for the qualification and application procedures the Commissioners of Natural Resources, Revenue, or Labor and Workforce Development may use when considering a project involving natural gas. The changes update the language in order to allow continued interest in the development of the resource. By expanding the areas of potential gas exploration and development that fall under the Act.

Presently, statute only allows for natural gas projects if the product is to be exported in a liquefied form. HB 16 resolves this limitation, by expanding gas development and transportation in any form. With a lowering of the bar in capitol net assets and lines of credit, it expands the potential for a number of companies including those in Alaska, to become a part of the pipeline project.

When the [Alaska Stranded Gas Development Act](#) was passed, the language included an application deadline of June 30, 2001. HB 16 extends that deadline so the state and producers can resume contract negotiations with a clear understanding that the goal is the development of Alaska’s natural gas for in-state, foreign and domestic markets.