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Joint Committee on Natural Gas Pipelines

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Committee Rejects Producers' Proposed Bill 1977 Federal Law is Preferred Vehicle for Alaska Pipeline

(ANCHORAGE) – Saying Congress has already established the legal framework for an Alaska-Lower 48 natural gas pipeline, the Joint Committee on Natural Gas Pipelines today rejected federal pipeline legislation proposed by North Slope producers in favor of the 1977 Alaska Natural Gas Transportation Act (ANGTA) mandating a southern route.

The committee also proposed a package of amendments under which ANGTA would ensure the pipeline's maximum benefit to Alaskans, including banning an "over-the-top" route; allowing access to the pipeline by future gas producers; setting pipeline tariffs to encourage in-state gas exploration and development; ensuring in-state access to gas for consumer use and economic development; establishing financial incentives pertaining to accelerated depreciation schedules; and encouraging the use of Alaska workers and businesses on the job.

"A southern route obviously provides the greatest benefit to Alaska and the nation, and Congress realized that when it made ANGTA the vehicle for bringing Alaska gas to market," said Sen. John Torgerson (R-Kasilof), chairman of the joint pipeline committee. He will convey the Legislature's support for ANGTA, and propose the amendments, on Oct. 2 at a U.S. Senate Energy Committee hearing on the gasline in Washington D.C.

"The joint committee is responsible for representing the Legislature's position to Congress," said Rep. Joe Green (R-Anchorage), vice chair of the committee. "I feel the proposals we discussed and approved represent Alaska's views on what we'd like to see in any final federal pipeline legislation."

North Slope gas producers conducting a \$100 million evaluation of the "over-the-top" and southern routes testified in favor of a new federal pipeline bill they claim would speed construction of any pipeline route. But most others testifying said that bill would only delay and confuse the construction of any pipeline, risking the state's opportunity to market proven reserves of 35-plus trillion cubic feet of gas.

Under ANGTA, aimed at easing the nation's late-70s energy crunch, Congress picked a southern route over an "over-the-top" route or a liquified natural gas line to Valdez; selected a consortium of U.S. and Canadian pipeline companies to build it; authorized construction permits and rights-of-ways; and signed a treaty with Canada to seal the deal.

Though market forces derailed the project until now, ANGTA remains in effect and should continue to guide development of a pipeline project, with some modifications supported by the committee, Torgerson said.

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