

Alaska State Legislature

Senator John Torgerson, Chair
Phone (907) 465-2828
Fax (907) 465-4779



Senator Drue Pearce, Vice Chair
Phone: (907) 465-4993
Fax (907) 465-3872

Senate Resources Committee

For Immediate Release: March 23, 2001
Contact: Sen. John Torgerson, 465-2828

Report Would Consider Pipeline Ownership **Multiple Options Would be Explored Under Senate Bill**

(JUNEAU)—The Senate Resources Committee introduced legislation today that will help determine whether the state invests in a natural gas pipeline.

“It has been suggested that the State of Alaska should take part in the financing and construction of a pipeline to bring our natural gas reserves to market,” said Sen. John Torgerson (R-Kasilof), chair of the Senate Resources Committee. “While on the surface it might seem advantageous to invest in the pipeline, it is really a complex issue that must be fully explored before we expose our state to that kind of financial risk.”

Senate Bill 158 requires the commissioner of revenue to present a comprehensive report, with recommendations, addressing ownership and financing options for the proposed gas pipeline to the legislature and the governor no later than Jan. 31, 2002. The report must also include how participation in the gas pipeline might affect the state’s cash flow, its credit worthiness, and its ability to continue to pay for essential public services.

“There are so many variables to this question that need to be answered,” said Torgerson. “We want to know if the state should own all of the pipeline, some of the pipeline or none of the pipeline. Should the state be involved in financing the pipeline? If so, what is the best means of paying for it? Do we issue revenue bonds, go for general obligation bonds, or guarantee the debt?”

The decisions that the state makes regarding owning or financing a gas pipeline could affect many generations of Alaskans. Torgerson said the more information that the Legislature has on all of possible scenarios, the better the chances of making the best decision.

“The state needs to move relatively quickly to take advantage of this opportunity, but we need to strike a good balance between acting on too little information and spending too much time gathering information,” said Torgerson. “I think that this bill sets up a reasonable time frame to gather the information and will allow the Legislature to act on the recommendations of the report during the next session.”

###