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FOR IMMEDIATE RELEASE: April 22, 2002

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House OKs Study of State Gasline Ownership **HB 302 Would Expand Options for Sale of Alaska's Natural Gas**

(JUNEAU) – With Alaska's largest oil and gas companies unwilling to commit to building a pipeline to bring North Slope natural gas to market, the state should prepare a plan to own a pipeline itself, according to legislation the House passed today.

House Bill 302, sponsored by Rep. Jim Whitaker (R-Fairbanks), would create the Alaska Gas Corp., a state-owned company whose first job would be to produce a feasibility study and plan for building a pipeline. The plan would include specific answers to technical, financial, regulatory and market access questions relating to the pipeline, and would be completed by early 2004.

“Conservatively, 100 trillion cubic feet of natural gas is stranded on the North Slope, and the failure to recognize this vital resource as a valuable commodity is in direct conflict with the state constitution's requirement to maximize use of our natural resources to benefit all Alaskans,” Whitaker said.

The decades-long dream of getting North Slope gas to market received its most recent blow when three of Alaska's largest oil and gas companies decided after a year-long study that the estimated \$15 billion to \$20 billion cost of a pipeline couldn't guarantee them enough profit to take on the job.

The state has already studied the economics, market viability, financial needs and regulatory obstacles to a pipeline project. HB 302 would authorize the state to go a step further and hire professionals in pipeline engineering, financing and marketing to provide firm answers as to whether, and how, the state could benefit from owning a pipeline open to all potential competitors, and open to all realistic market access opportunities, Whitaker said.

“As we face an enormous budget deficit, we must look beyond our reliance on oil production, budget cutting, and taxation as the only means of ensuring a long-term fiscal solution,” Whitaker said. “It is incumbent upon the leaders of this state to recognize that further resource development is critical in order to secure an additional and substantial revenue stream to the state of Alaska.”

[HB 302](#) moves next to the Senate for consideration.

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