Alaskan LNG Bill Takes Shape In The House

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JUNEAU, Alaska (AP) — The House Resources Committee version of a bill to advance a major liquefied natural gas project was starting to take shape Saturday, as members dug into a thick stack of proposed changes.

The committee, with a reputation for finely parsing language, was making slow but steady progress in an amendment process that began Friday.

Changes that had been approved included a provision to require negotiated contracts that must get legislative approval, such as marketing and firm transportation services agreements, to be made public at least 90 days before the proposed effective date for the contract. Co-chair Rep. Eric Feige, R-Chickaloon, said the idea is to ensure there is adequate time to vet proposed contracts, months instead of a few days.

The committee also approved allowing for certain legislative staff members and legislative consultants to be part of confidential briefings on negotiations rather than only lawmakers.

The committee, on a 6-2 vote, also added language to allow for out-of-state residents to serve on the board of the Alaska Gasline Development Corp. As proposed, the corporation would hold the state's interest in liquefaction and marine terminal facilities. The lead sponsors of the bill that established the corporation, known as AGDC, have said it was their intent to allow for out-of-state residents to serve on the board in an effort to get the best, most qualified people, and it was an oversight to not have made that point explicit.

That issue flared up with the appointment of a Texas man and former pipeline company executive to the board by Gov. Sean Parnell. Critics of the appointment say the law calls for Alaska residents to serve on Alaska boards and commissions. Parnell has argued that under the state constitution, appointments to boards like that of AGDC only need to be U.S. citizens. A separate bill — in line with the amendment added to the gas-line bill — was introduced in the state House on Friday.

The bill under consideration by House Resources, SB138, would set state participation in the project, also being pursued by the North Slope's major players, AGDC and TransCanada Corp., at about 25 percent. It also is aimed at moving the project — currently estimated to cost between $45 billion and more than $65 billion — into a phase of preliminary engineering and design and cost refinement.

It is one of the biggest issues of the legislative session, scheduled to end April 20. House Resources is one of three House committees to which the measure has been

referred, though House Speaker Mike Chenault has said the referral to Labor and Commerce could be waived, allowing for the measure to go next to House Finance.

The Senate passed its own version of SB138 last month. Any changes to the bill approved by the House would have to be agreed to by the Senate or the bill could land in conference committee.

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