



JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

September 1, 1981

ADMINISTRATIVE ORDER NO. 70

For the management system to monitor design and construction of the Alaska Natural Gas Transportation System (ANGTS), including the Sales Gas Conditioning Facility, if that Facility is the subject of a lease issued pursuant to A.S. 38.35.

FINDINGS:

- 1) It is in the best interests of the people of the State of Alaska that ANGTS is designed and constructed safely, with minimum practicable effect on the environment, with positive effects on the socioeconomic climate of Alaska, and as expeditiously as possible.
- 2) Construction of the ANGTS will involve most State agencies to some degree in preconstruction review, construction monitoring, permitting, licensing, taxing, or offsetting the impacts on Alaska's environment, its economy and its people. For this reason, close coordination among these agencies is necessary.
- 3) Duplicative regulation, monitoring, permitting and paper work must be eliminated to ensure that ANGTS is constructed as expeditiously as practicable while meeting requirements of the State of Alaska.
- 4) The President of the United States, through the Office of the Federal Inspector, has established a single point of contact with the Federal Government for matters relating to ANGTS.
- 5) Pursuant to A.S. 38.35.140(b), the sponsors of ANGTS are required to reimburse the State for reasonable costs of monitoring the construction of ANGTS. It is essential that the State provide a management system which identifies and accounts for its monitoring efforts and the associated costs so that reimbursement is justified and proper, and costs are properly controlled.
- 6) Complete administrative records must be maintained to document the construction efforts of the ANGTS.

ORDER:

In light of the foregoing, I, JAY S. HAMMOND, Governor of the State of Alaska, order and declare the following:

- 1) Each State agency shall comply with applicable provisions of this order.
- 2) The Department of Natural Resources, through the Office of the Pipeline Coordinator, shall be the lead State agency for monitoring preconstruction and construction of ANGTS.

- 3) Each department shall immediately appoint a liaison officer to the State Pipeline Coordinator. These liaison officers shall represent their departments in matters relating to monitoring of ANGTS, assist the State Pipeline Coordinator and his staff in carrying out his responsibilities, and keep the State Pipeline Coordinator informed of monitoring and other ANGTS-related activity of the liaison officer's department. For those departments which have a major role in monitoring the ANGTS, liaison officers will be assigned full time and be collocated with the Office of the Pipeline Coordinator. At present, these agencies include the Departments of Natural Resources, Fish and Game, Environmental Conservation, and Transportation and Public Facilities. Other agencies are expected to assign a liaison officer who has other duties as well. If an agency's monitoring responsibilities expand to the point where a full time liaison officer is needed, it will appoint one, with the concurrence of the State Pipeline Coordinator.
- 4) If a department's monitoring responsibilities require staff additional to the liaison officer, the department shall, with the concurrence of the State Pipeline Coordinator, appoint such staff. This staff will be under the supervision of the liaison officer or his designee and shall be collocated with the Office of the Pipeline Coordinator or at a location designated by the State Pipeline Coordinator.
- 5) The State Pipeline Coordinator shall be responsible for planning and managing ANGTS monitoring programs carried out or coordinated by the agency liaison officers and their staffs.
- 6) All applications for permits and other authorizations which the State may require of the sponsor of ANGTS shall be submitted by the sponsor to the State Pipeline Coordinator. The State Pipeline Coordinator shall forward the applications to the appropriate department liaison officer, who shall ensure that they are properly processed. The State Pipeline Coordinator shall receive a copy of the permit or other authorization issued.
- 7) To the extent consistent with applicable law, departments shall delegate permit or other authorization signatory authority to their liaison officers and/or to staff of the liaison officer.
- 8) Except for routine or follow-up informational inquiries by or to departmental liaison officers or other department staffs, as may be mutually agreed upon by the respective commissioner and the State Pipeline Coordinator, all correspondence relating to pipeline monitoring between a department and the ANGTS sponsor or the United States Government shall be routed through the Office of the Pipeline Coordinator and be reviewed by him. This does not apply to agency liaison officers' communications with their respective agencies. The State Pipeline Coordinator and a department commissioner may, if mutually agreeable, modify or amend this provision as it relates to that department's communications regarding pipeline monitoring.
- 9) Each department shall keep a full set of files in a central location on all aspects of its activities relating to ANGTS.
- 10) The State Pipeline Coordinator shall establish those field monitoring teams and activities pertaining to ANGTS and related facilities he determines, with the concurrence of affected agencies, are in the best interests of efficiency and effectiveness. Such monitoring teams may be composed of staff from a number of agencies. Responsibilities and authorities of affected agencies may, consistent with law, be delegated to team members regardless of their department affiliation, and those team members shall conduct the entire field monitoring program of the agencies involved. The State Pipeline Coordinator shall appoint the team leader.

11) All applicable departments shall prepare and submit an annual budget request for those costs which are reimbursable under AS 38.35.140(b) (and the President's Decision and/or other FERC/Federal regulations). These budget requests will be reviewed and approved by the State Pipeline Coordinator. All such budget requests will be submitted as a consolidated unit to the Division of Budget and Management in a manner established by the division. Costs will not be reimbursable unless proposed budgets are approved by the State Pipeline Coordinator. The State Pipeline Coordinator shall ensure that reimbursement is secured promptly for costs incurred under approved budgets.

12) To the extent allowed by law, before taking enforcement action against the ANGTS project sponsor, its agents or contractors for violation of State law relating to design, preconstruction or construction of ANGTS, the department involved shall consult with the State Pipeline Coordinator and consider his advice. Whenever feasible, and the department involved and the State Pipeline Coordinator agree on a particular course of action, such enforcement action shall be undertaken under the grant of lease and right-of-way issued by the Department of Natural Resources. For the purposes of this section, consultation is considered "infeasible" only if the nature of the violation requires prompt or immediate action, and the State Pipeline Coordinator or his designee is not available.

13) In the event of a dispute between departments regarding a matter covered under this order, including matters involving annual budget requests, the departments involved will consult with the Department of Law, and (a) if the dispute involves the right-of-way lease and the matter cannot be resolved between a department and the State Pipeline Coordinator, the affected department commissioner should attempt to resolve this matter with the Commissioner of Natural Resources, and the decision of the Commissioner of Natural Resources shall be final; (b) if the dispute involves a question clearly covered by a department's statutory or regulatory authority, the dispute will be resolved by the department responsible for administering that law, and the decision of that department commissioner is final. In all such disputes, affected commissioners shall seek the views of the State Pipeline Coordinator, and consider these views before making a decision; (c) in disputes between commissioners other than in cases subject to (a) and (b) above, the Office of the Governor shall resolve the matter. However, before bringing the matter to me, the commissioners involved shall avail themselves of the services of the Department of Law, and that department will attempt to moderate the dispute based upon legal authorities of the departments involved.

14) The terms of this order do not apply to those subject areas specifically excluded from the jurisdiction of the State Pipeline Coordinator, such as financing and in-state use of royalty gas.

15) This order is for administrative purposes only, and is not intended to create any third party rights.

DATED at Juneau, Alaska, this 1 day of September 1981.

S/S Jay S. Hammond

Jay S. Hammond
Governor

