



TONY KNOWLES
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 8, 2001

ADMINISTRATIVE ORDER NO. 187

I, Tony Knowles, Governor of the State of Alaska, under the authority of art. III, secs. 1 and 24, of the Alaska Constitution and AS 44.17.060, name the commissioner of the Department of Natural Resources, through the commissioner's designee, the state pipeline coordinator, as the coordinator of state permits, authorizations, and oversight of pipelines designed to transport natural gas from the Alaska North Slope to market ("Gas Pipelines"). This Order covers the permitting, authorization, and oversight activities of Gas Pipelines by the Departments of Natural Resources, Environmental Conservation, Fish and Game, Transportation and Public Facilities, Labor and Workforce Development, Public Safety, and by the Division of Governmental Coordination ("Designated Agencies"). This Order may be amended to cover the permitting, authorization, and oversight activities of other agencies in the future as necessary and directed by future administrative orders of the Governor. This Order outlines the processes and responsibilities of the Designated Agencies with regard to state permits, authorizations, and oversight related to the preconstruction and construction of Gas Pipelines.

Nothing in this Order affects the responsibilities of state agencies that do not involve permits, authorizations, and oversight of Gas Pipelines, including advocacy by the Department of Law before the Federal Energy Regulatory Commission, or the development of fiscal terms by the Department of Revenue under AS 43.82.

Nothing in this Order re-assigns the responsibility of coordinating Alaska Coastal Management Program consistency reviews under AS 44.19.145 and 6 AAC 50 away from the Division of Governmental Coordination, Office of Management and Budget.

FINDINGS

1. It is in the best interest of the people of Alaska and the nation that Alaska's North Slope natural gas be expeditiously transported to market in a manner that makes the maximum contribution to the development and standard of living of the residents of our state. It is in the best interest of the people of Alaska and the nation that Gas Pipelines be designed and constructed in a safe and environmentally sound manner.
2. It is desirable that the State of Alaska have a unified voice representing its interests in dealings with Canadian and federal agencies, gas owners, pipeline companies, and contractors related to permitting, authorization, and oversight of Gas Pipelines. It is also desirable that the state have a single point of contact for permits, authorizations, and oversight of Gas Pipelines to ensure coordination among state, federal, and international authorizing agencies and, if appropriate, to develop substantially similar terms and conditions in pipeline documents.
3. Permitting, authorization, and oversight of Gas Pipelines involves many state

agencies. A coordinated state approval and oversight process for Gas Pipelines that provides for internal alignment and dispute resolution is necessary. Internal alignment fosters efficiency in state permitting, approval, and oversight functions.

4. It is in the best interest of the people of Alaska to utilize existing government structures and processes to the maximum extent possible, optimize state pipeline expertise and performance, and minimize impacts to ongoing functions of government. The State Pipeline Coordinator's Office in the Department of Natural Resources (SPCO) is the appropriate lead and single point of contact for the permitting, authorization, and oversight of proposals for Gas Pipelines.

ORDER

To further these findings, I, Tony Knowles, Governor of the State of Alaska, order and declare the following:

1. A Gas Pipelines Cabinet is established, comprised of the commissioners of the Departments of Natural Resources, Environmental Conservation, Fish and Game, Revenue, Transportation and Public Facilities, Labor and Workforce Development, and Community and Economic Development; the director of the Division of Governmental Coordination; the Governor's Office Washington, D.C. Director; and the Attorney General. The commissioner of the Department of Natural Resources will chair the Gas Pipelines Cabinet.
2. The commissioner of the Department of Natural Resources, through the state pipeline coordinator (SPC), is the lead official for state communication and coordination with appropriate federal and Canadian agencies related to permitting, authorization, and oversight of Gas Pipelines, including routing, design, and construction.
3. The SPC is the lead official for coordinating state permitting, authorization, and oversight by Designated Agencies related to routing, design, and construction of Gas Pipelines. The SPC shall establish and maintain a Gas Pipelines Group within the SPCO to coordinate actions by Designated Agencies related to Gas Pipelines.
4. Each Designated Agency shall appoint a liaison officer who will report directly to the head of the Designated Agency, be assigned to the Gas Pipelines Group, and be located in the Gas Pipelines Group offices established by the SPC. Liaison officers shall serve as a single point of contact representing their Designated Agencies in matters relating to permitting, authorization, and oversight of Gas Pipelines during the preconstruction and construction phases. To the maximum extent consistent with applicable law, Designated Agencies shall delegate signatory authority to their liaison officers for issuance of permits and authorizations during preconstruction and construction phases.
5. Liaison officers shall be available to manage and perform work necessary to process permits and authorizations for Gas Pipelines by their Designated Agency; assist as necessary with permits and authorizations by other Designated Agencies; manage and perform work necessary to oversee construction of Gas Pipelines; and provide other necessary technical assistance to the SPC in their areas of expertise.
6. Liaison officers shall provide annual work plans for accomplishing the tasks outlined in paragraph 5 of this Order to the SPC for approval. The work plans shall include schedules, budgets, and staffing plans for permitting, authorization, and

oversight work. Liaison officers shall monitor progress against their work plans and provide periodic reports to the SPC.

7. Staff hired by individual Designated Agencies for the Gas Pipelines Group are under the supervision of the liaison officer for the Designated Agency. Staff providing support from a Designated Agency's regional or central office will continue to work for their supervisor in the Designated Agency.
8. Liaison officers shall manage their Designated Agency's administrative functions that are directly related to their agency's participation in the Gas Pipelines Group, including maintaining agency files. Each Designated Agency shall keep a full set of files at the office of the Gas Pipelines Group on all aspects of its activities related to Gas Pipelines.
9. Liaison officers shall provide copies of all applications and requests for permits and authorizations related to preconstruction and construction of Gas Pipelines to the SPC. Each liaison officer shall coordinate with the SPC public notices and other legally required public hearing processes related to their agency's activities. All permits and authorizations issued by Designated Agencies related to Gas Pipelines preconstruction and construction activities shall be processed in the Gas Pipelines Group. Liaison officers shall provide copies of proposed permits and authorizations to the SPC for review and comment, and shall provide copies of permits and authorizations issued.
10. Each liaison officer shall, to the extent allowed by law and whenever feasible, consult with the SPC and consider the SPC's advice before taking enforcement actions by the Designated Agencies related to Gas Pipelines preconstruction and construction. This provision does not limit Designated Agencies' enforcement authorities or the exercise of those authorities.
11. The SPC shall establish preconstruction and construction field teams that the SPC determines, after consultation with affected agencies, are necessary for data gathering and oversight. Such teams may be composed of staff from a number of Designated Agencies and other state agencies. Responsibilities and authorities of affected state agencies may, consistent with law and after consultation with those agencies, be delegated to team members regardless of their agency affiliation.
12. Between the effective date of this Order and the date of execution of a reimbursement memorandum between the SPC and a Gas Pipelines sponsor, all Designated Agency funding requests associated with Gas Pipelines activities will be handled through the normal budget supplement and increment process coordinated by the Department of Natural Resources.
13. In order to develop a consolidated budget request, all Designated Agencies shall prepare and submit to the SPC an annual budget request for all appropriations, including costs reimbursed under AS 38.35.140(b) and permitting fees identified in statute or regulation, associated with Gas Pipelines projects. After review and approval by the SPC, the budget requests will be consolidated and submitted by the Department of Natural Resources through the budget review process. Gas Pipelines work by Designated Agencies may not be budgeted in the Executive Budget submitted to the legislature except through this process. Upon approval of the budget, and appropriation by the legislature, the SPC shall negotiate reimbursable services agreements with Designated Agencies to cover the approved costs associated with Gas Pipelines preconstruction and construction activities and shall

ensure that reimbursement is secured promptly for costs incurred under approved appropriations.

14. If a Designated Agency requires additional staff position(s) to carry out its responsibilities, the agency shall, with the concurrence of the SPC as to appropriation, appoint additional staff.
15. In the event of a dispute between Designated Agencies regarding a matter covered under this Order, including matters involving annual appropriation requests, each affected liaison officer and the SPC will resolve the dispute to the maximum extent possible. If the dispute cannot be resolved between each affected liaison officer and the SPC, then the matter will be resolved by the affected agency heads and the commissioner of the Department of Natural Resources. If the dispute cannot be resolved by the affected agency heads and the commissioner of the Department of Natural Resources, then the matter will be resolved by the governor, after considering any recommendations of the Gas Pipelines Cabinet.

Unless contrary to any dispute resolution process in statute or regulation, in the event of a dispute between Designated Agencies involving a matter subject to the Designated Agencies' statutory or regulatory authority, each affected liaison officer and the SPC will resolve the dispute to the maximum extent possible. If the dispute cannot be resolved by the affected liaison officer and the SPC, then the matter will be resolved by the affected agency heads. If the dispute cannot be resolved by the agency heads, then the matter may be considered by the governor, after consideration of any recommendations of the Gas Pipelines Cabinet. The decision of the head of the Designated Agency responsible for administering the statute or regulation in question is final. In all such disputes, the head of the Designated Agency responsible for administering the statute or regulation shall seek and consider the views of other affected agency heads before making a decision.

16. The Office of the Governor, Division of Governmental Coordination (DGC), shall coordinate the Alaska Coastal Management Program consistency review of activities related to Gas Pipelines as provided under AS 44.19.145 and 6 AAC 50. To the maximum extent allowed by law, the SPC and DGC shall coordinate their respective Gas Pipelines activities.
17. Consistent with AS 44.23.020, the Attorney General, as legal advisor to the State of Alaska, shall provide legal services to the SPCO Gas Pipelines Group and all Designated Agencies within the SPCO Gas Pipelines Group.
18. This Order is for administrative purposes only. It does not create any third party rights nor modify the statutory and regulatory authorities of Designated Agencies.
19. The SPC will submit to the Governor and the Gas Pipelines Cabinet periodic progress reports that summarize goals and objectives and accomplishments against those goals and objectives.

To the extent that this Administrative Order is inconsistent with Administrative Order No. 134, this Order supersedes those portions of that order. This Order revokes Administrative Order No. 70.

This Order takes effect immediately.

DATED at Juneau, Alaska, this 8th day of January, 2001.

S/S Tony Knowles
Tony Knowles
Governor



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