

TONY KNOWLES GOVERNOR

STATE OF ALASKA OFFICE OF THE GOVERNOR JUNEAU January 26, 2001

ADMINISTRATIVE ORDER NO. 188

I, Tony Knowles, Governor of the State of Alaska, under the authority of art. III, secs. 1 and 24 of the Alaska Constitution, establish the Governor's Alaska Highway Natural Gas Policy Council (council).

PURPOSE

1. Alaska North Slope gas development and transportation to market is of vital public interest. It is in the best interest of the people of Alaska that a North Slope natural gas commercialization project advance, to the maximum extent allowed by law, Alaska hire and use of Alaska businesses; Alaskan access to gas; and a fair share of revenues for Alaskans. This project should improve the standard of living for Alaskans by providing feedstock for new industries, community access to gas, and gas for future commercialization projects that may become feasible as market conditions improve. It is essential that Alaskans have a voice in determining how the state will achieve these goals.

2. As Governor, I join the many Alaskans in believing that the only viable and environmentally responsible project is a natural gas pipeline from Prudhoe Bay to Fairbanks, and then along the Alaska Highway through the Yukon Territory and Alberta to connect with distribution systems in America. This route was approved by Congress in 1977 and is the subject of an international treaty with Canada.

3. The purpose of the council is to engage Alaskans representing a broad spectrum of Alaska interests, experience, and geography to advise the Governor and the Alaska Highway Gas Pipeline Cabinet in determining how the state can best promote the Alaska Highway North Slope natural gas pipeline project and maximize benefits for Alaskans.

DUTIES

1. The council shall hold statewide meetings to obtain the public's views on how the state can best promote a gas commercialization project and maximize benefits for Alaskans. During the meetings, the council shall present a summary of project options and general topics for discussion.

2. Before the statewide meetings, the council shall meet to plan its work schedule and prepare the presentation for the meetings.

3. No later than November 30, 2001, the council shall present a summary of public

comments, consensus recommendations, and other information gathered to the Governor, the Alaska Highway Gas Pipeline Cabinet, and the public.

4. The council shall deliberate and make recommendations on topics related to natural gas commercialization, including

a. the benefits of natural gas development to Alaska communities, including those located in rural areas of Alaska;

b. the best uses of the state's royalty share of the gas and promotion or attraction of investment for in-state and value-added processing;

c. the costs and benefits of the state taking delivery of its royalty share of the gas in Alaska versus allowing a project developer to include the gas in its delivery flow to the Lower 48 states;

d. options for projects utilizing gas-to-liquids, liquified natural gas, and natural gas liquids;

e. demand for in-state natural gas consumption and its effects on a gas project;

f. environmental impacts and necessary protection measures;

g. training and readiness of Alaskans for jobs on a gas project, use of the Alaska labor pool by contractors and subcontractors, and use of Alaska businesses; and

h. state promotion and facilitation of project financing, including potential ownership by the state of some or all of a project.

MEMBERSHIP AND GENERAL PROVISIONS

The council shall be comprised of Alaskans representing a diversity of interests, experience, and geography and appointed by the Governor to serve at the pleasure of the Governor. Members of the Alaska Highway Gas Pipeline Cabinet shall serve as non-voting, ex-officio members of the council.

The Office of the Governor and other state agencies shall provide professional and administrative staff assistance to support the activities of the council. The Department of Law shall provide legal assistance to the council.

To reduce costs, the council shall use teleconferencing or other electronic means to the extent practicable in order to gain the widest public participation at minimum cost.

The council shall establish procedures for voting and meetings. Council members who are not state employees serve without compensation and are entitled to per diem and travel expenses in the same manner permitted for members of other state boards and commissions. Per diem and travel expenses for members of the council who are appointed as a member of a state agency are the responsibility of that state agency. The Governor shall designate two members of the council as co-chairs. Meetings of the council shall be conducted and notices of such meetings provided in accordance with AS 44.62.310 (Open Meetings Law).

AMENDMENTS AND REVOCATIONS

This Order amends Administrative Order No. 187 to change the name of the Gas Pipelines Cabinet to the Alaska Highway Gas Pipeline Cabinet.

This Order revokes Administrative Order 152.

This Order takes effect immediately.

DATED at Juneau, Alaska, this 24th day of January, 2001.

<u>S/S Tony Knowles</u> Tony Knowles Governor

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