



Sarah Palin on the Gasline

I am a conservative Republican, a firm believer in free market capitalism. A free market system allows all parties to compete, which ensures the best and most competitive project emerges, and ensures a fair, democratic process. I will communicate progress on gasline negotiations to the public.

My Administration will pursue the plan that is best for ALL Alaskans. All qualified and viable proposals and applicants will be considered. How do we get there? Through a two-step process.

First, we acknowledge that the Stranded Gas Development Act (SGDA), under which the previous Administration negotiated with the “Big Three” producers (ExxonMobil, ConocoPhillips, and BP), no longer applies. The producers want to amend the SGDA to fit their proposed contract within the technical confines of that law. However, the Legislature's own experts have testified that the gas can no longer be deemed “stranded” due to long-term economic conditions.

There are many companies and organizations that want to present competing proposals, such as Transcanada, Warren Buffet's MidAmerican, Shell, Chevron, Anadarko, Doyon, CIRI, ANGDA, AGPA, and Pacific Star Energy. To date, none of these entities have sought exceptional tax treatment; they only want an opportunity to compete to build a pipeline, or a component of a Y-line, and to do so within a designated timeframe.

When negotiations are free of the SGDA, the door to competition, and creative profitable project proposals, is wide open. Once an “open season” can be held, any owner of gas can transport their product to market using one or more of the applicants' proposals, including a proposal submitted by one or more of the Big Three producers.

Second, at the beginning of the next legislative session in January, my Administration will introduce a bill to the legislature seeking a “law of general application.” Our constitutional founders foresaw the danger of “special” deals, and specifically mandated laws of general application where possible. Alaska's Constitution in Article 2, Section 19 requires that “The legislature shall not pass a local or special act if a general act can be made applicable.”

The general application bill will set forth several key requirements for a natural gas line project, such as access to gas for Alaskan communities, jobs for Alaskans, pre-

construction benchmarks, pipeline expansion provisions that ensure further exploration for natural gas, a reasonable tariff structure, and legislative approval. The law would contain an option for fiscal agreements with the state, as did the SGDA.

The bill will also set forth compelling incentives to qualified applicants, just as the federal government has already done. Incentives guarantee quick commencement of the gas line project, and could include accelerated state permitting, commitments for infrastructure support (public roads, airports, rail, bridges, etc.), and economic impact assistance for local communities.

Once we have established this open and competitive environment, all qualified applicants and proposals will have the right to compete fairly, with no organization being given preference over any other.

Many entities are interested in Alaska's resources and this gas pipeline project. This is simply business. This is conservative free market capitalism. This is how I govern. It may well be that the Big Three have the best proposal. Let's find out.