

29th Legislature(2015-2016)

Journal Text for HB132 in the 29th LegislatureFull Journal**04-18-2015****House Journal****1026****HB 132**

The following letter was dated and received April 17, 2015, at 3:35 p.m.:

"Dear Speaker Chenault:

Under the authority vested in me by Article II, Section 15 of the Alaska Constitution, I have vetoed the following bill:

CS FOR HOUSE BILL NO. 132(L&C)

"An Act relating to the purpose, powers, and duties of the Alaska Gasline Development Corporation related to the Alaska liquefied natural gas project and an in-state natural gas pipeline; relating to the in-state natural gas pipeline fund; and providing for an effective date."

A key purpose of the Alaska Gasline Development Corporation (Corporation) is to develop natural gas pipelines and other transportation mechanisms to deliver natural gas in-state for the maximum benefit of the people of Alaska and to provide revenue to the State. I object to the bill as contrary to the purposes of the Corporation and Alaska's interests. The bill would stifle the Corporation's ability to advance a viable backup option for a natural gas pipeline by limiting the ability of the Corporation to spend money or take any step to develop an in-state natural gas pipeline through which over 50 percent of gas is intended for export by the Corporation or another party, until the earliest of certain specified actions or July 1, 2017.

This flaw cannot be fixed by simply adjusting the time barriers, because any barrier removes Alaska's leverage in the Alaska liquefied natural gas (AKLNG) negotiations and, at the same time, prevents

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consideration of a backup option. We cannot afford to proceed with blinders of our own making. To be forced to wait over two years to develop a viable backup plan would result in no backup plan at all. This is a risk I cannot accept. Additionally, CSHB 132(L&C) creates a limitation on Alaska marketing Alaska's gas. This limitation goes beyond the July 1, 2017 date with no end date on this restriction.

Therefore, I am vetoing CSHB 132(L&C) because the bill would unnecessarily limit the ability of the State to have our own backup plan for a successful gas project that would provide energy to Alaska and revenues for Alaska's economic future. I will not subject Alaska to this risk in light of our budget situation. My veto does not hamper progress on an AKLNG project. Instead, my decision ensures the State can move forward in a manner consistent with the assurance that should AKLNG not proceed for any number of reasons, Alaska has a legitimate backup plan in place.

We remain diligent in our efforts to move forward on the AKLNG

project as our first priority. My decision to veto CSHB 132(L&C) does not impede the advancement of the AKLNG project. Instead, my decision will allow the State to move forward, as any responsible project developer would; by preserving flexibility to develop and negotiate the best result for the state.

For these reasons, I have vetoed CSHB 132(L&C).

Sincerely,
/s/
Bill Walker
Governor"
