

House passes bill aimed at speeding up gas line project

Legislation creates team to spearhead development plan

By Becky Bohrer | *The Associated Press*

The House passed legislation Wednesday aimed at speeding work on an in-state natural gas pipeline.

The bill, sponsored by Speaker Mike Chenault, overhauls the existing process. It creates an in-state development team, led by the chief executive of the Alaska Housing Finance Corp., that would be charged with getting a project plan to lawmakers by July 2011. The plan would have to show how a small-diameter line could be financed and built by the end of 2015.

The bill, which passed 38-0, now goes to the Senate, which is working on a revamp of its own that would give oversight of the process to the Alaska Railroad Corp.

Where it all leads this session - and if it ever results in an in-state line being built - remains to be seen.

One of the biggest points of contention is who will be in charge.

Chenault, R-Nikiski, said he doesn't object to the railroad's involvement; its CEO or a designee would have a spot on his development team.

But he worries a potentially monthslong search for a new Alaska Railroad Corp. leader, plus time to get that person up to speed, could slow progress on in-state gas work that he considers urgent. Railroad chief executive Pat Gamble is stepping down to be the University of Alaska system president.

Chenault also favors keeping a gas line project manager who would coordinate agency efforts in the governor's office.

Sen. Lesil McGuire, an Anchorage Republican and resources committee co-chairwoman, expressed confidence in the railroad's ability to name a competent new CEO and to take leadership of the project.

"That's where I see the most difference in opinion," she said. "A lot of us feel that there have been a lot of committees and a lot of libraries dedicated to the issue of a bullet line, and we just want to get something done."

Gov. Sean Parnell has defended his in-state gas team as being on track with schedules set by the Legislature. But he has pledged to work with McGuire and Chenault, saying they share a goal of pursuing an in-state gas project.

An in-state gas, or bullet, line is seen by many in the Capitol as critical to Alaska's energy and economic future, with energy costs high and supplies less than reliable in parts of the state that include population centers.

McGuire is hoping for a compromise but can't predict what one might look like. If efforts to pass a bill fail - the Legislature is set to adjourn April 18 - it's possible intent language representing a compromise between her bill and Chenault's could be written into the capital spending budget, she said.

Of course, none of this guarantees an in-state line will get built.

It's still unclear what a small line would cost, the route it would run, who would build and pay for it and whether it would result in lower energy costs for Alaskans. The idea behind these bills is to make finding those answers a priority. Lawmakers hope to have a better sense of the landscape in a year.