



April 30, 2013

Members of the Alaska State Legislature
Alaska State Capitol
Juneau, AK 99801

Subject: March 2013 **ASAP** Progress Report on the Alaska Stand Alone Pipeline

Dear Members of the Alaska Legislature:

The following monthly report for March is provided on the Alaska Stand Alone Pipeline/**ASAP**.

Engineering

Frank Richards, AGDC Pipeline Engineering & Government Affairs Manager, attended multiple hearings on HB 4 – as legislative committees requested technical information from the project office as the bill moved through committees.

GIS cartography continues to be a priority for the engineering field season planning. GIS receives numerous requests for maps with specific data sets. The current GIS focus supports the field work with detailed maps on borehole locations and alignment information which is necessary for the permitting applications and for review by field crews for accurate appraisal of field locations.

Government Affairs

Legislative committee meetings began on March 1 and continued through the month of March as Frank Richards, Dan Fauske, Joe Dubler and others from the project team presented information to House Resources and House Finance. HB 4 moved out of the House of Representatives with several amendments. HB 4 legislation is written to maintain momentum on moving the in-state pipeline project forward to an Open Season and Project Sanction. The legislation is comprehensive and includes removing AGDC from under the umbrella of the Alaska Housing Finance Corporation to a stand-alone state agency under the Department of Commerce. As a new quasi-state corporation AGDC would report to a new board of directors, and would have an expanded mission to oversee other pipeline work for the state. The bill appropriates \$300+ million in funds to carry out the mission of the corporation as defined in the project plan and other documents on file for the ASAP project.

The project team attended the In-State Gas Caucus meeting in Juneau on March 14 and provided technical information and a project update as requested by the committee.

Public Affairs

ASAP outreach for March included presentations to numerous stakeholder audiences. On



March 4, a project update was presented to the Sand Lake Community Council. Many people asked questions about the status of the gas in the Inlet and asked if ASAP would be the solution. It was explained that the ASAP project is a long-term solution and that an interim solution will be necessary as early as 2015 in the event that a significant find is not identified in Cook Inlet. Director of Public Affairs, Leslye Langla, presented to the Fairbanks Chamber on March 5. The crowd was very supportive of the efforts on the ASAP project and their Chamber drafted and submitted a resolution in support of HB4. Public Affairs (PA) planned a meeting for the community of Barrow on March 6, however due to extreme weather all borough buildings were closed and the ASAP meeting was cancelled and rescheduled for April. Ms. Langla and Leah Levinton, Public Affairs Specialist, met with the Dean of Community and Workforce Development and Training Manager from Ilisagvik College in Barrow on March 6. Ms. Langla explained that the workforce development is a priority of the future planning for the project advising that the workforce development effort will commence early to mid-2014. A Community Advisory Council meeting was held on March 12, in Fairbanks. Members of the council asked that the ASAP project office maintain close contact with them as HB 4 moved through the legislature. Ms. Langla provided council members with contact information for Representative Hawker's office as his staff sends out regular bulletins on the movement of the legislation.

A meeting was held with the Minto Development Corporation and the City of Tanana on March 12, in Fairbanks. The City Manager of Tanana requested a project presentation for their community in June stating they are interested in the line-fill with propane in the current optimized model. Ms. Langla advised the ASAP team would do all possible to accommodate the meeting request during the month of June. Minto Development Corporation Executive Director, Marjorie Grunin, asked the project office to provide information to their corporation on the 2013 field work opportunities. Ms. Langla advised that the field work information will be available through Baker, Inc. Ms. Grunin advised she had Baker contact information and would contact the Project Manager at Baker. On March 13, Ms. Langla presented an update to the Denali Borough Assembly meeting held in Cantwell. Questions were asked regarding the field program for 2013, and Ms. Langla advised the field work schedule plans would be shared with Denali Borough at the earliest time and stated the project office is diligently working through the permits required, land access approvals, and crew scheduling. Denali Borough Assembly stated they were submitting a resolution in favor of passing HB 4 legislation. On March 18, Ms. Langla presented a project update to the Big Lake Chamber of Commerce. Big Lake Chamber has asked for presentations at least twice a year and ASAP PA agreed to do all possible to support the request for project updates. On March 19, PA presented a project update to the Wasilla Chamber of Commerce. Wasilla Chamber had requested that PA present to their Chamber each quarter as the subject of natural gas availability was considered a high priority for their community. PA determined that the project team will be able to address the request through other appearances and addressing other groups in the area such as the Borough Assembly, Community meetings and then the Chambers. The Wasilla Chamber was satisfied with that as a possible solution. On March 20, Ms. Langla addressed the Eagle River Chamber of Commerce to provide a Project update. Mr. Fauske was in the audience and he addressed the Chamber after the presentation. Eagle River supports activity on determining a long-term energy solution for the Railbelt. On March 22, members of the ASAP PA team met with public affairs at AEA to discuss the Governor's energy projects. Representatives from both organizations offered specific project updates and vowed to remain in contact and share information.

On March 25, AGDC observed the state holiday in recognition of Seward's Day.



On March 26, the PA team traveled to Talkeetna to present a project update for the communities of Talkeetna, Trapper Creek, and Sunshine. The meeting was well attended and people requested that the ASAP team return after the legislation session ends to advise the outcome. PA agreed and advised the team a late summer date will be added to the schedule. On March 27, Ms. Langla presented a project overview to a Discovery Drilling crew prior to the crew departing for field work conducted near the Yukon River. The president of Discovery Drilling was pleased to receive the information and his crew appreciated the project recap before heading to the field. The drilling crew was provided with talking points, project logo hats, an educational brochure and an alignment map. As a critical piece of stakeholder engagement, public affairs will plan to meet with all field crews before deployment to ensure they had basic understanding of the key elements of the project.

Citizen and industry support for HB 4 during the month of March was recognized as resolutions and letters of support continued to be directed to HB 4 Sponsors. ASAP PA is satisfied with the support demonstrated by stakeholders as education about the project purpose and need continues.

Project Management

All disciplines in the project office have been called on during the month of March to support responses requested from lawmakers as HB 4 moves through legislative committees. In addition to the research and the testimony provided during March, the project team is also continuing the project work in all disciplines. Project Management is working with all teams to ensure coordination and communication on interdependencies among disciplines is in place.

Regulatory

The project office has continued to seek the permits required and has moved forward on preliminary action to gain land access approvals required in preparation of the 2013 Field Season work to include geotechnical exploration and drilling of up to 335 boreholes south of Livengood. The ASAP regulatory team is also working with local boroughs and agencies to apply for necessary right-of-entry on lands south of Livengood.

I hope you find this information helpful in maintaining an understanding of the activity and progress being made on the in-state pipeline. Thank you for your support and oversight. If you have any questions or would like to receive more information regarding the contents of this report, please contact 907.330.6320 or visit www.agdc.us.

Respectfully submitted,

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by *Langla*

Daniel R. Fauske
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cc: Honorable Sean Parnell, Governor
Honorable Mead Treadwell, Lieutenant Governor
State of Alaska Commissioners
AGDC Board Members

