

ALASKA STATE LEGISLATURE

RESOURCES COMMITTEE

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SB 275 Sponsor Statement

Alaska Gasline Transparency and Accountability Act

Strengthening fiscal responsibility and transparency in the development of Alaska's gasline.

With AGDC and its partner Glenfarne Alaska LNG announcing plans to begin gasline construction this year and deliver in-state gas by 2029, the Legislature faces important questions about the project's structure and benefits to Alaska. Key details of project agreements remain confidential, including oversight structures, financial terms, and potential state revenue. SB 275 strengthens transparency and legislative oversight to protect Alaska's interests.

It is increasingly uncertain whether Alaskans can expect net gains from a gasline. The massive influx of outside workforces and business activity will burden Alaska's already-fragile public services while also increasing costs of housing, goods, and essential services. Without changes to law, it's not clear that the state will see substantial new revenue from this project that could offset these costs.

Article VII, Section 2 of the state constitution requires the Alaska Legislature to seek development of Alaska's natural resources for the maximum benefit of the people. SB 275 aims to achieve that mandate. It updates state laws in two key areas of concern: (1) Transparency and governance in the gasline development process, and (2) Fiscal assurances to the state.

SB 275 strengthens legislative oversight and transparency for Alaska gasline projects while ensuring the state receives reasonable financial returns. The bill expands legislators' ability to access confidential project information, increases disclosure of project investors and partners, and requires legislative approval or notice for major ownership changes and certain partnerships. It also tightens fiscal protections by preventing certain tax deductions, ensuring appropriate tax and royalty payments, affirming a pathway to potential state participation in gasline projects, and establishing new revenue sources tied to LNG processing and project profits.

SB 275 enacts updated, common-sense gasline policy for Alaska, laying a solid foundation so we can forge ahead. With the gasline's ambitious construction timeline, the legislature's attention on these issues is critical. Failing to enact the appropriate framework now could risk Alaska's best interest for generations to come. I welcome your support for SB 275.