

STATE CAPITOL
P.O. Box 110001
Juneau, AK 99811-0001
907-465-3500
fax: 907-465-3532



550 West Seventh Avenue, Suite 1700
Anchorage, AK 99501
907-269-7450
fax 907-269-7461
www.Gov.Alaska.Gov
Governor@Alaska.Gov

Governor Bill Walker
STATE OF ALASKA

October 23, 2015

The Honorable Kevin Meyer
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Meyer:

Under the authority of Article II, Section 9, and Article III, Section 18, of the Alaska Constitution, I am transmitting a bill for supplemental appropriations for the fiscal year 2016. The bill will move us toward monetization of our vast natural gas resources by engaging the State fully in the process as an equal participant in our future development.

First, the bill requests an appropriation to the Alaska liquefied natural gas (AKLNG) project fund in order to acquire the interests of TransCanada. While TransCanada has been a valuable ally, it is time for the State to step in and participate as a full partner in the development of a gas pipeline and liquefaction facilities.

In the last several days, the producers have reviewed an overall Preliminary Front-End Engineering and Design (Pre-FEED) phase increase from \$511,000,000 to \$693,000,000 that will impact costs in calendar year 2016. The State's 25 percent share of this Pre-FEED increase is included in the supplemental request.

Additionally, the bill requests necessary appropriations to the Departments of Natural Resources, Law, and Revenue related to the State's continued and vital participation in the AKLNG project. Further appropriations recognize the need for Alaska Gasline Development Corporation to have statutory program receipt authority to be reimbursed from producers for specific work on the AKLNG project.

Finally, the Legislature recognized earlier this year when it passed HB 2001 that there may be a need for supplemental appropriations for fiscal year 2016, and authorized the withdrawal from the budget reserve fund for fiscal year 2016 to include an amount, not to exceed \$500,000,000, for future fiscal year 2016 appropriations. Accordingly, this bill provides that if there are insufficient general funds available for appropriation, Section 12(c), Chapter No. 1, SSSLA 2015, will apply to the supplemental appropriations provided for in this bill.

The Honorable Kevin Meyer
Transmittal AKLNG Appropriations
October 23, 2015
Page 2

Thank you for your consideration of this bill.

Sincerely,

A handwritten signature in black ink that reads "Bill Walker". The signature is written in a cursive, flowing style.

Bill Walker
Governor

Enclosure



STATE CAPITOL
P.O. Box 110001
Juneau, AK 99811-0001
907-465-3500
fax: 907-465-3532

550 West Seventh Avenue, Suite 1700
Anchorage, AK 99501
907-269-7450
fax 907-269-7461
www.Gov.Alaska.Gov
Governor@Alaska.Gov

Governor Bill Walker
STATE OF ALASKA

October 23, 2015

The Honorable Mike Chenault
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Chenault:

Under the authority of Article II, Section 9, and Article III, Section 18, of the Alaska Constitution, I am transmitting a bill for supplemental appropriations for the fiscal year 2016. The bill will move us toward monetization of our vast natural gas resources by engaging the State fully in the process as an equal participant in our future development.

First, the bill requests an appropriation to the Alaska liquefied natural gas (AKLNG) project fund in order to acquire the interests of TransCanada. While TransCanada has been a valuable ally, it is time for the State to step in and participate as a full partner in the development of a gas pipeline and liquefaction facilities.

In the last several days, the producers have reviewed an overall Preliminary Front-End Engineering and Design (Pre-FEED) phase increase from \$511,000,000 to \$693,000,000 that will impact costs in calendar year 2016. The State's 25 percent share of this Pre-FEED increase is included in the supplemental request.

Additionally, the bill requests necessary appropriations to the Departments of Natural Resources, Law, and Revenue related to the State's continued and vital participation in the AKLNG project. Further appropriations recognize the need for Alaska Gasline Development Corporation to have statutory program receipt authority to be reimbursed from producers for specific work on the AKLNG project.

Finally, the Legislature recognized earlier this year when it passed HB 2001 that there may be a need for supplemental appropriations for fiscal year 2016, and authorized the withdrawal from the budget reserve fund for fiscal year 2016 to include an amount, not to exceed \$500,000,000, for future fiscal year 2016 appropriations. Accordingly, this bill provides that if there are insufficient general funds available for appropriation, Section 12(c), Chapter No. 1, SSSLA 2015, will apply to the supplemental appropriations provided for in this bill.

The Honorable Mike Chenault
Transmittal AKLNG Appropriations
October 23, 2015
Page 2

Thank you for your consideration of this bill.

Sincerely,

A handwritten signature in black ink that reads "Bill Walker". The signature is written in a cursive, flowing style.

Bill Walker
Governor

Enclosure