

An Important Point on the Governor Race

The governor race in Alaska has taken an interesting turn with Independent Republican Bill Walker jumping out of his party and platform to team with Byron Mallott, the Democrat's candidate aligned with Begich and Obama. If this alliance wins, then it will have a major impact on the ongoing gasline projects. Some say that this race is now reminiscent of the Palin or Hickel races, but there are major differences.

Sarah Palin ran against proven corruption in the legislature and won with the conservative populist vote, never abandoning party or principles. Hickel ran a conservative campaign against a liberal Republican opponent. Walker is running a liberal populist campaign based on an appeal to perceived evils in our successful oil and gas industry. He often talks of state taking back control of paid-for leases, and taking ownership of gas pipeline and liquefaction facilities as other countries have done. He's running against an incumbent governor whose optimism and focus on increasing oil production and a gasline have created an economic boom with jobs increasing every year. We currently have a gasline deal moving forward with buy-in from the producers and approval of the legislature.

From an energy perspective, the most important issue that the next governor will address is a gasline project. Bill Walker has for many years been a driving force behind the Alaska Gasline Port Authority (AGPA), established in 1999 by the Fairbanks North Star Borough, the North Slope Borough and the City of Valdez. It was created to support a gasline effort to Valdez, the one that the voters statewide also chose to support in 2002. That project never garnered the support that was necessary to see it to fruition.

Other gas projects were later proposed and gained political backing. Walker's Port Authority chose a scorched earth policy, working to defeat all other gas line proposals that weren't their own. They advertised with public dollars and personally lobbied the legislature and administration to kill all other gas line projects, instead of modifying their plan to fit the new situation. Note, they did attempt at one point a gas trucking project for Fairbanks, but that was defeated, mainly based on the high price the public and assembly thought they were paying to buy the local gas utility. Personally, I've always been a supporter of the line to Valdez, and voted for Walker in 2010 because I thought that the specific gasline was the defining issue. What I don't understand is refusing to adapt when the situation changed, delaying the chance for a gasline, due to a desire for a particular plan. Sometimes perfect is the enemy of good.

Consider the following questions: How is Walker going to advance the gasline project that is already in motion? The Alaska LNG project, a project to construct a gasline and the facilities to export gas and provide for Alaska's energy needs, has achieved cooperation with the oil companies and they been doing field work for it all summer. The planned route goes to Nikiski, on the Kenai Peninsula, not Walker's hometown of Valdez and the EIS (Environmental Impact Statement) work is underway. There are more negotiations still to be done.

How will a man who has consistently worked for the last fifteen years for a specific project to Valdez and against all others handle those negotiations? How will he make the win-win deal that is needed in our free enterprise system to advance a gasline, when he has taken an adversarial position with the oil companies, going so far as to sue the state after the Point

Thomson settlement took place? This settlement would supply the gas for a line, has caused the oil companies to invest billions in infrastructure and had 700 people working this summer. If Walker mandates a change from what was previously approved and intended by the legislature, how will he be able to get legislative approval?

For most of Alaska, a gasline is just an important source of future revenue, but for us in Fairbanks it is life or death, as many of our long-time citizens are leaving for places with cheaper utility bills. Sean Parnell helped the Interior by proposing and supporting the Interior Energy project to truck gas to Fairbanks. This is a bridge project that will prove helpful, but does not diminish the need for a long-term solution such as a gasline. If you examine the record of the candidates then it's pretty easy to see that the choice you'll make in November is Walker or a natural gas pipeline.