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U. S. Dept. of Energy (FE-24)
Office of Oil & Gas Global Security & Supply
Office of Fossil Energy
Forrestal Bldg., Rm. 3E-042
1000 Independence Ave. S.W.
Washington D.C. 20585

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JUL 23 2010

DOE/OFE/NGR

Subject: Alaska's Gas For Alaskans First!

Attn: Director,

I am enclosing a copy of an email I received from my State Representative. Please read it and see if you don't agree. Don't let the oil companies put the screws to Alaska like they've done to the Gulf Coast! We would truly appreciate you backing us up on this.

God Bless

Don & Michele Marshall

Don Michele Marshall

From: Rep. Berta Gardner [Representative_Berta_Gardner@legis.state.ak.us]
Sent: Friday, July 09, 2010 11:48 AM
To: Rep. Berta Gardner
Subject: Berta's Briefings: Alaska's Gas For Alaskans First- July 9, 2010

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BERTA'S BRIEFINGS

Representative Berta Gardner
Serving Geneva Woods, College Village, Green Acres, Tudor, Taku and
Campbell Park

Write Me: 716 W 4th Ave, Anchorage AK 99501

Call Me: 907 269-0174

E-Mail Me: Rep_Berta_Gardner@legis.state.ak.us

My Website: <http://gardner.akdemocrats.org>

Alaskans Need Access To Our Gas Before We Send It Overseas!

Dear Friends and Neighbors,



Senator Ellis, Representative Gardner, Mayor Sullivan talk with Anchorage residents about accessible playgrounds.

Alaskans understand that we cannot export our gas until local needs for the gas have been met. We have all heard the warnings that we could face brownouts or even blackouts right here in Anchorage in the near future unless the utilities that provide heat and light for our homes have access to more gas. Good news is that there is still plenty of gas in Cook Inlet. Bad news is that it is challenging and expensive to reach. This means that for oil companies to make the needed investments, they have to have a larger market than just our "little" railbelt communities.

Right now Conoco Phillips is working to extend their existing license to send liquefied natural gas (LNG) to from Kenai to Japan— using the only LNG export facility in the entire United States. The Federal Department of Energy is taking public comment on their request until

August 2nd. Along with several of my colleagues, I have signed a comment letter asking that Conoco Phillips be held to the federal requirement of meeting regional needs before exporting gas. Actually, we are asking for three conditions on the permit:

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1. **1. Binding contracts must be in place with Alaskan utilities to meet regional needs at fair prices through the term of the export license.**

- **2. Commitment to new exploration in Cook Inlet to maintain current levels of gas reserves.**
- **3. Agreement to provide access to the LNG plant to encourage new explorers in Cook Inlet.**

The Alaskan Legislature has made dramatic efforts to create an inviting business climate for increased gas development in Cook Inlet. This year with passage of HB280 we provided:

- **Enhanced regulatory certainty** by requiring the RCA to consider the impact on consumers when proposed gas contracts are denied.
- **Dramatic tax credits** and, since Cook Inlet taxes are already very low, allowing those credits to apply to production from North Slope or other fields.
- Full financial support for **construction of a new gas storage facility.**

Under the current fiscal regime for Cook Inlet, Conoco Phillips provides \$60-70 million in revenue to the State and to Kenai. The tax benefits of the new legislation, however, are valued at about \$100 million to Conoco Phillips. **This means that the State of Alaska is effectively subsidizing Conoco Phillips for their sale of gas to Japan.**

Finally, it is important to note that Conoco Phillips, with more than 9,000 acres of state land in Cook Inlet under lease, is our largest oil and gas producer. Last year their Alaskan profits were \$1.54 billion (mostly from the North Slope), compared with a loss of \$37 million from operations in the rest of the US.

Alaska has been good to Conoco Phillips. I believe, and many of my colleagues believe, that it is perfectly just and reasonable for Conoco Phillips to be required to meet the three conditions – conditions that are so important, I will repeat them:

- **1. Binding contracts must be in place with Alaskan utilities to meet local needs at fair prices through the term of the export license.**
- **2. Commitment to new exploration in Cook Inlet to maintain current levels of gas reserves.**
- **3. Agreement to provide access to the LNG plant to encourage new explorers in Cook Inlet.**

If you agree, I invite you to send your own comments before August 2nd to:

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While we support the export of excess gas from Cook Inlet, we believe that meeting our own local needs must happen before we ship more Alaskan gas to Japan. Experience tells us that we cannot expect for-profit corporations to do that right thing for Alaska citizens. It is the job of the state government to protect the interests of Alaskans. Our proposed requirements are designed to do just that.

I'm Berta, and I'm still listening.

Berta