

North Slope Borough supports Interior site for gas plant

The North Slope Borough Assembly last week adopted a resolution in support of an Interior Alaska site for the Prudhoe Bay natural gas conditioning facility, and one encouraging the state to financially support the plant there. This move did not come as a surprise, as the North Slope and North Star Boroughs met jointly several times to discuss such an endorsement.

The resolution explains that "the location and design of the conditioning plant for Prudhoe Bay natural gas and gas pipelines will largely determine the accessibility of natural gas and natural gas liquids for use and processing within Alaska."

The resolution also states that the in-state use and processing can serve as the foundation for a diversified and less costly energy supply for Alaska residents in

the 1980's. Locating the conditioning plant in the Interior would ensure the best and least expensive means for transporting gas products for consumption and further processing throughout the state. An Interior location may also be less expensive to construct. The Assembly calls upon the state to make available all financial and technical resources to determine the feasibility of an Interior location within the next four to six months.

In the resolution encouraging the state to financially support building the conditioning plant in the Interior, the Assembly endorsed the concept of the state to use its bonding authority or other appropriate financial measures to invest in the construction of the conditioning plant. However, this investment would need to ensure that at least the state's royalty share of gas be processed and be available for in-state use, and the plant provide long term economic, employment and energy benefits to Alaska residents.

In a related action, the Assembly also passed a resolution encouraging the state to repeal the legislation adopted in 1973. This legislation on the borough's ability to levy and collect taxes on oil and gas production and pipeline property. The Assembly cited "further limitations are placed on retail sales made to oil and gas producers which limits the sales tax to only the

first \$1,000.00 per sale."

The Assembly encouraged the legislature to repeal those sec-

tions of the state statutes which limits the ability of the borough to levy and collect property and/or sales taxes on oil and gas

producers and pipeline properties, as both are seen as being "both unconstitutional and discriminatory in design."