

Governor Frank Murkowski's Compass Piece, Anchorage Daily News
Wednesday December 7, 2005

The nation is watching

Alaska could suffer backlash if we reject a reasonable gas line deal

Alaskans are not the only ones doing their part to get the finances lined up for a North Slope natural gas pipeline.

Congress figures it's done its job. It passed legislation in 2004 authorizing a federal loan guarantee for the proposed mega-project. The guarantee would protect borrowers for up to 80 percent of \$18 billion in loans, making it a bit easier and less expensive for project developers to borrow the cash needed for construction.

Congress also approved an estimated \$700 million in corporate tax benefits for the project and provisions requiring expedited federal permit action and judicial review of any lawsuit against the project.

The American public figures it's done its part by paying record high natural gas prices this winter, with the outlook for more high prices in the years ahead -- until new sources of gas can come to the rescue. Those high prices make the Alaska project feasible for the first time since explorers found oil and gas on the slope almost 40 years ago.

Those high prices also are directing many Americans to look North for help.

"You've got a nation that is crying out for the resource," said Alaska Sen. Lisa Murkowski in a recent Daily News interview.

But what if Alaskans reject a gas line deal because the taxes and **royalties** aren't rich enough for us? Don't expect Congress or the public to take our side.

"The state of Alaska is not getting a lot of sympathy for our issues," Sen.

Murkowski said. No doubt America's compassion for Alaska is at a low point after weeks of nationwide headlines about our bridges, coupled with constant reminders of our \$32 billion Permanent Fund and our annual dividend giveaway. Whether that's fair doesn't matter. It's starting to look like Americans are getting tired of seeing our hands reach out to the federal treasury while we're banking tax and **royalty** checks from near-\$60-a-barrel oil.

"With statehood comes responsibility," the senator said. "We have a resource that we can contribute."

Alaskans need to remember our responsibility to the rest of the nation as we weigh the benefits of any gas line deal. Yes, we should get a fair share of the resource value for Alaska, and we shouldn't accept a bad deal. If the terms are no good, we should be prepared to say no and take the heat. But we also should think about the faith placed in us by Congress and the public to get the job done by contributing something toward getting the gas line built.

Just think how it will play in the Lower 48 if the headline says: "Alaskans reject gas line deal because there's not enough in it for them; nation to endure another decade of record-high natural gas prices."

BOTTOM LINE: Alaska should get its fair share, but also should consider we're not the only ones who need the gas line.