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From: Hughes, Rosanne D (GOV) [/O=SOA/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=RHUGHES]
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To: 'ivyfrye@yahoo.com'; 'gov.palin@yahoo.com'; 'fek9wnr@yahoo.com'; 'ftb907@yahoo.com'; 'krisandclark@yahoo.com'
Subject: Harris' comments last night

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Politicians look east for natural gas customers

by Mike Ross

Monday, May 12, 2008

ANCHORAGE, Alaska -- A delegation of Alaska political figures is just back from a trip to China. Their mission was to find out if there's a market for Alaska natural gas in the Far East.

They say they'll use what they found out to put pressure on Gov. Sarah Palin in the upcoming battle over the gas pipeline project.

The group included former Gov. Wally Hickel and House Speaker John Harris, who says the trip convinced him even more that an all-Alaska gas line is the best choice.

"Alaskans would benefit more by that, by being able to sell their gas to those folks at a higher price than we could sell it to the United States," Harris said.

The Alaska political figures met in Beijing with leaders of China's giant energy company Sinopec and in Tokyo with representatives of Mitsubishi Corporation, Tokyo Electric and Tokyo Gas.

Harris says the message was the same at each stop -- the Far East is clamoring for Alaska natural gas.

"We came away with the feeling, and I think they're gonna be writing it down in a letter to the governor, that they would take all the gas we could provide as soon as we could provide it in the form of liquefied natural gas," Harris said.

Harris says Gov. Hickel hopes to meet with Gov. Palin soon to discuss the China trip and to push again for an all-Alaska pipeline project that could ship liquefied gas to domestic and foreign markets.

"Many people voted for this governor based upon the fact they thought she was gonna be an advocate for an all-Alaska gas line," Harris said. "That doesn't seem like that's the case now."

The Palin gas line team says the bid from TransCanada for a pipeline to the Lower 48 was the only proposal to meet the requirements of the governor's Alaska Gasline Inducement Act, or AGIA.

"We've said all along that (liquefied natural gas) needs to be looked at closely before we can make a decision on the TransCanada license," Revenue Commissioner Patrick Galvin said. "It has been a

significant part of the analysis."

Galvin is a member of the governor's gas line team and says the all-Alaska route is still being reviewed.

"We believe that we're taking a look very even-handedly at all issues and we want to make sure our decision is one that goes to maximizing the benefits of Alaskans," Galvin said. "We're leaving the door open for all options."

Harris says after making the trip, he believes Alaska's energy future lies in the Far East, not across the Canadian prairie.

"I think a project that goes through Alaska and provides gas for Alaskans and provides jobs for Alaskans and not Canadians is the best way to go," he said. "That fight will place in another few days."

The Palin administration is scheduled to announce next week if it will recommend the TransCanada bid. State lawmakers are due back in Juneau for a special session on the gas line project early next month.