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Subject: Chamber minutes

Here are the minutes of the anchorage chamber meeting with rep samuels.

Very enlightening. Several people from other industry orgs there also. The aogcc testimony yesterday has many legislators and others very concerned.

There will be a lot more discussion on this before it is over.

Paul fuhs

ANCHORAGE CHAMBER
of COMMERCE

Anchorage Chamber of Commerce
State/National Affairs Committee
Meeting Notes

April 16, 2007, 9:30-11 a.m.

(The following is based on staff notes and the meeting was recorded. Everything included is believed to be true and accurate to the best of staff ability. If you notice any discrepancies or omissions please contact Emily Ford at 677-7105 or e-mail emily@anchoragechamber.org.

In attendance: Tom Williams, committee co-chair, BP Alaska; Dick Cattanach, Associated General Contractors; Representative Ralph Samuels; Larry Wiget, Baywind Communications; Caitlin Higgins, Alaska Conservation Voters; Harold Heinze, Alaska Natural Gas Development Authority (ANGDA); Steve Pratt; Dave Haugen, Lynden; Kara Moriarty, Alaska Oil & Gas Association; Jeff Jones, Morris Communications; Bob Bulmer, Alaska Executive Search; Karen Matthias, Canadian Consulate; Mary Ann Pease, MAP Consulting; Laurie Fagnani, Marketing Solutions, Patty Bielawski, Jade North; Pete Stokes, PRA.

Staff: Stacy Schubert, president, Anchorage Chamber of Commerce; Emily Ford, government & external affairs manager, Anchorage Chamber of Commerce

Agenda items:
1. Call to Order/Introductions
2. Today's Presentations—Alaska Gasline Inducement Act (AGIA)
a. Representative Ralph Samuels

Committee Co-Chair Tom Williams calls the meeting to order and requests introductions.

Rep. Samuels: As the Anchorage Chamber begins to examine the AGIA policy, my hope is that you all will look at what the risks are in the big picture. Not the risks with the project itself, but the risks with the process.

If the Governor is absolutely correct and we pass the Bill with no amendments, and the industry is bluffing a little, and we get to the Open Season, and the companies all show up, we all win. If the Governor is wrong what are the risks to the economy? In the worst case scenario, we pick a licensee, pay 50 percent of the money to get to an Open Season, we pay 80 percent of the money to get to a FERC certificate, and at the Open Season and FERC, no one shows up—we are 11 years down the line without a project. The Legislature needs to keep personalities separate from the issues.

Changes made to the Bill thus far/Discussion Points:

- $500 million- Why $500 million? The original Bill said a licensee *had* to take the money, up to the Open Season—even if it was BP, ConocoPhillips, and Exxon.

  Out of the $500 million, how much of it would be spent before the Open Season? If you are an oil company and you know the Open Season will be successful, you will do most of the work before Open Season. ConocoPhillips has testified that they would likely spend $400 million just getting to the Open Season. There is no risk to you; you know it will be successful, it is your gas and you will bid the gas into it.

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If you are Mid America or TransCanada and you have not partnered with an oil company, that upfront money is totally a risk if no one shows up to the Open Season. You will do as little up front work as possible and still hope to get customers. So, if they spend $100 million, Alaska is on the hook for $50 million. They could still go to Open Season and the oil industry may not bid the gas. The Bill then requires you go through the Open Season, to the FERC requirement. Then, the licensee can bid up to 80 percent of the money. After the failed Open Season, the State is then paying up to 80 percent of the money as you continue down the road. The reason is that a private entity is going to look at their capital risk before and after an Open Season. TransCanada has testified that they do not feel it is a wise use of their capital to continue after a failed Open Season. Enbridge has testified that they will not participate at all, unless they have partnered with someone who has the gas. Mid America has said it is just fine the way it is.

In the first committee referral in the House and Senate, the language was changed that you did not have to take the money before the Open Season; the language was changed to *up to* 50 percent. When you calculate the net present value of the entire project, that upfront money is going to count for quite a bit. So the lower you bid, the better chance your net present value numbers are better. That change was made in concurrence with the Administration.

The money is there to entice the companies to lower their risk before an Open Season. When the real risk comes after a failed Open Season, it jumps to 80 percent. That is the reason for the percentages to entice those companies to participate in the process.

- Selection Process: The first committee in House and Senate also made changes here. The Commissioners of DNR and Revenue will "pick a winner". In the Bill it did not specify evaluation methods, if there was going to be a weighted scale etc. If the Legislature did not act, it was assumed we therefore agree with the Commissioners. The problem is if a "winner" is selected in May, it takes a two-thirds vote to call the Legislature back into session. The Governor will not call a special session, because she will agree with the selection of her Commissioners. So you could have a small minority stop you from calling yourself back into session if you did not agree with the selection.

We could not find a way to weight the criteria, so we gave the Legislature a positive vote. Meaning, if the Legislature did not vote, the project dies—the Legislature must vote to approve. This ensures the two Commissioners will have to testify to the Legislature about their thought/evaluation process.

Williams questioned the constitutionality of the Legislature positive vote and cited the Separations of Powers Doctrine. Williams further added that The Supreme Court has ruled the Legislature cannot perform executive functions. Discussion. Rep. Samuels: the Administration has agreed to the vote. The Legislature has asked for legal opinions and this will remain an issue of discussion.

Heinze: As a matter of public policy, in regards to the contracting for the sale of oil, the law provides very limited authority to the commissioners. The Legislature has to vote to approve the contract. I don't see this as much different. Williams: As long as no one objects, it is not unconstitutional. That does not mean it would stand up to a challenge. Further discussion.

Heinze: Last week the committee discussed how much we want to go into the details of law versus how much we want to discuss objectives and principles. For instance, in this case, as a matter of policy the citizens are most interested in having this major decision as carefully considered as possible. One way of achieving this is having 60 legislators reviewing the decision of two commissioners. The concept is a good check and balance.

Rep. Samuels: It is the same as the constitutionality issue of locking in taxes. We have a request to hire

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yet another constitutional lawyer. If we hired 10 different constitutional lawyers we would receive 10 different opinions. Heinze: That is what I am getting at, as a committee, I thought we decided to focus on those statements of principle that the Anchorage Chamber can make and outline what we want accomplished. We can give that to the Legislature as feedback. Rep. Samuels: I think that a group such as a chamber is more effective saying that philosophically this is what we believe-- this is what is right, this is what is wrong. Williams: The Legislature is an institution designed not to get things done. It takes an extraordinary consensus for something to pass. If the default is no, if the Legislature fails to act and the applicant is rejected, it is bad policy given the nature of the institution. It is a bad solution to deal with the problem that the Legislature is not in session eight months of the year. It is better to say that things cannot move forward until the Legislature is in session. Rep. Samuels: It is easier not to act and vote something down than get something done, you are right. That is the frustrating part of the session. But, on this particular issue, I agree with Harold. You are going to want 60 different eyes looking at this deal. Force us, force the Legislature, to take a position and say what we think. Force us to study the issue. The fear I have is that we would get to a session and never even vote on the issue. That is the politician's way out.

Heinze: To go back to the $500 million issue, the reason that money was included was to encourage something to happen....a positive result. Again, as we discussed during last week's committee meeting, we all readily agreed that the most important thing is for something to happen. For nothing to happen would be disastrous from a chamber point of view. Rep. Samuels added that bad things can happen, too. Heinze: Has there been any testimony or discussion at the legislative level about the alternatives for inducement, other than the $500 million? Rep. Samuels: There has been discussion about restructuring the $500 million and making it an equity position. For example, let's say someone bids that they will take the $500 million and that equates to 60 percent of the total money. The State would then have the option to buy 60 percent of the pipeline. If the State takes 60 percent of the risk, it can take the option to buy. If the State decides it does not want to own a pipeline, they can sell that option. You will make more than $500 million to sell that option, especially if it is a successful Open Season. There has also been discussion to make the $500 million a loan. The problem is how do you get your loan back? The reason for a company to take $500 is to reduce their risk. If the project goes sideways, then you have gotten away from the philosophy of the $500 million. Frankly, the $500 million is not meant for the oil companies, it was meant to induce third party companies. It is get the third party companies to partner with an oil company and reduce their risk.

Heinze: One of the ways to help the project is for the State to come forward with a completion guarantee. Rep. Samuels: So, we'll give you the $500 million if you get to a successful Open Season. It is like a little candy at the end of the trail. Heinze: A completion guarantee is valuable. Rep. Samuels: I have not heard those discussions, but we are willing to talk. Heinze: So there really has not been much discussion about the $500 million and how to use it? Rep. Samuels: More on the upstream side. The discussion has been if it is a wise use of the State's $500 million if you go down the road and end up with a third party pipeline and they have an unsuccessful Open Season and you change your mind and decide to make a better deal with the producers...if you jump ship on the third party, you pay triple damages on what they have spent to get out of the contract. The longer you wait and the more money spent the higher risk to the State. If the third party company spends the $500 million ($500 million of their money, $500 million of the State's) it would take $1.5 billion to get out of the contract.

What are the risks to the State for an unsuccessful Open Season? I have been asked why an oil company would not go to the Open Season. Who knows why, but Exxon probably has the best bond rating out there, except the U.S. Government; their money is cheaper. If TransCanada or Mid America wants to go out and borrow the money, it will be more expensive and thus, a higher tariff.

Pratt: Can you mitigate that risk or is there anyway to force the resource owners to sell the gas on the North Slope if they do not want to participate for any reason?

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Rep. Samuels: If you offer Exxon or BP or Conoco a price less the transportation rate at the wellhead, and they did not have to ship it, they would probably sell it tomorrow. But whoever buys the gas pays the shipping risk. You have to pay the pipeline company no matter what—that's where the risk ends up. Board Rooms around the world are going to look at this project and ask what if I had to go six months without gas? What if Prudhoe Bay shuts down? You have to pay the pipeline company. If the State takes the risk, you have to pay the pipeline company and you have no gas to sell. How much risk is there and how much money would it cost us? Companies are asking what if things go sideways, how much capital am I willing to put in? Maybe Rex Tillerson, as Chairman of Exxon, is saying we can make money on this deal, but if we wait two years? Alaska will have voted on an income tax or to spend earnings of the Permanent Fund. After it is felt in the pocketbooks of Alaskans, tax rates may go down and Exxon may be able to get a better deal. Maybe the price of oil will go up. What are the consequences of these variables happening? We don't know what those Board Rooms are saying. We don't care about (the Open Season) in Newfoundland and the shareholders of Exxon don't care about us…they care about making a profit for their company.

Pease: Are there any discussions in Juneau about any of the Producers partnering with other companies or going off on their own? Are any of their testimonies/comments aligned?
Rep. Samuels: They would never tell us. We asked every company that testified (the three producer companies) if they could ship gas without their partners and they all answered "it depends". Williams: How, as a business, would you deal with that issue? How would you design the pipe? Would you design the pipeline for your portion of the gas and the State's royalty gas? Under what terms and conditions? If you had two partners who were indeed "sitting on the gas" and you were ready to go, how would the regulatory system accommodate you to be whole for incurring a disproportionate expenditure at greater risk than a company that joins later? Rep. Samuels continues: Then there is not enough gas to build a larger cross-continent project, so you build a smaller project to Valdez. Then you can see the scenario where you would say that you will build the larger project later but now there is not enough gas to go cross-continent and you are looking at a project of twice the tariff, one-quarter the gas.

Heinze: I am a careful listener and am not sure I have heard the debate on that very issue. Are we really debating on one approach that says we need to have a pipeline that not only handles everything we've got and everything we know about, but also 50-100 percent more than that? Traditionally, larger corporations do not commit everything they think is there. There is a guy called a corporate controller who is very conservative and pays close attention to this issue. Traditionally, the industry does not make long-term commitments beyond what its got—that's the safe way to do it. If you look at the Mackenzie example. The sponsors are not looking at a pipeline that handles not only what they have, and what could possibly be there, but rather can handle a high percentage of what they've got. Have we debated any of that during the deliberations? Rep. Samuels: The biggest conflict that we have is between the producing companies and the exploration companies. If you are Anadarko, you won't want to kiss Exxon's ring in order to get into their pipeline—then I might not want to come and explore. Look at the Trans-Alaska Pipeline System (TAPS) example; look at the tariff on TAPS….that is why exploration is so low because it is too expensive. BP does not care what the tariff is because they are paying themselves. This segweys into the next change that was made in committee…

- Rolled-in Tariffs: Rolled-in tariffs mean that whatever expenses per expansion occur, everyone pays. Sometimes the amount of gas you get to add to the pipeline makes it cheaper and the more compression stations added makes it more affordable. But, you can only compress so much before you have a station every 12 feet and that becomes too expensive. So, you build loops and that drives the tariffs back up. If you have a rolled-in tariff system, everyone pays no matter what. The Canadian system works that way, they roll in all the tariffs so everyone pays, up or down; the American system generally works so that everyone pays until the tariff goes up and then whoever causes the tariff to go up pays.

In the legislation, the fear was that after you drove the tariff down no one would come and explore because the exploration companies would drive the tariff back up and they would end up paying for that increase while their competitors are paying the original rate. The legislation originally required that both the pipeline companies and the original shippers (the three producing companies) to testify to FERC that they want rolled-in tariffs. If the companies testified in support of rolled-in rates, they received the 10-year lock-in on the taxes—that is the incentive there. If you weren't a member of the original shipping group, you did not receive the 10-year lock-in, but you could go testify in front of FERC for anything that you wanted.

We changed this in the first committee referral. Several years ago, the Legislature teamed up together with the Murkowski Administration, exploration companies (lead by Anadarko) and federal agencies (the producer companies were on the other side of the issue) to petition FERC. FERC stated they would assume rolled-in rates as a standard. The Murkowski Administration testified concern about the producer companies being able to lobby FERC and changing the standard. So, what we said in the committee that as long as FERC has that assumption, the pipeline company has to go back and support rolled-in tariffs. As long as that assumption is there, we made an amendment that any of the shipping companies could go argue whatever their economic interests are. ConocoPhillips is the state's largest explorer, so one day they can argue for rolled-in tariffs, the next they could support argue for incremental tariffs-- it depends on the size of their find, etc. Anadarko could do the same. The thought I had when I offered this amendment is that if ConocoPhillips and Anadarko are partners on a project, one company could argue for rolled-in tariffs and the other could support something completely different. The Administration frankly, disagrees with this. The difficult part of this is that we are setting policy for 20-years from now. This is probably the biggest change. It may seem technical, but this is a big change.

- So, the biggest things we changed were the positive vote issue, the *up to* 50 percent before the Open Season and the FERC issue. I sat on the first committee in the House and there is a lot of discussion internally about the $500 million, but we chose not to start the debate at that time. Further down the line, as more people get involved that debate will happen. The more the public and legislators get engaged, the more the debate will continue. There is a lot of debate on the $500 million and the risk associated with it.

- I would request the Anchorage Chamber look at what are the consequences, in a macro-sense, of the various approaches. The main criticism of the Murkowski deal was the locking-in of taxes for 40 years with no guarantees of a project. The feel was we would continue to get slow-rolled and eventually the project would be built on the Producer's terms. There were not enough work commitments; therefore it was not a deal. Now with this approach, if the Governor is flat-out wrong, you have 11 years with a partner that you would have to pay triple damages to if you wanted out of the contract.

  One criticism I had for Mid America during the hearing was that my worst case scenario was they would receive the license and spend as little money as possible to get to an Open Season, and then the Open Season fails. At that point, Mr. Buffet (CEO of Mid America) would turn to the Legislature and the Governor and say they couldn't get the gas, so the State should lower the tax rate so Mid America could get the gas. Then, it becomes me (as a legislator) against not only Rex Tillerson (Exxon) but Rex Tillerson AND Warren Buffet (Mid America). Commissioner Irwin has whole-heartedly disagreed with that statement because he feels the leverage would go against the oil companies and they would show up to an Open Season.

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Questions/Comments:

Williams: Minimizing the maximum harm the State may suffer is the safest way to approach this project. Your analysis of the worst-case scenarios is important. We need to do as much anticipation as possible.

Rep. Samuels: The way our economy works is that, I know I am preaching to the choir here, we have the earnings of the Permanent Fund that we don't have the political will to touch, we don't have the population for an income tax and the reality is 1986 was not too long ago. The price of oil is not going to save us much longer.

Matthias: Can you clarify the Alliance's review of the hearings this weekend that mentioned Dave VanTyle's (BP) testimony about the fact that should a project not be successful that it is the companies that made the firm transportation commitments that would be on the hook?
Rep. Samuels: Once you sign the firm transportation commitment, you're going to pay the pipeline company. Pipeline companies may have lower risk, but they have lower return. Matthias: But what it appeared the Alliance was saying is that if the project does not get built, the lenders would be looking at the companies that made the firm transportation commitments. Did anyone else read the summary? Pease: I have it right here and you said it just right. Rep. Samuels: If the pipeline never gets built, the firm transportation commitments would never come into play.

Heinze: One disappointment I have had is the lack of discussion(s) about market. We hear from the Producers and the people who move gas, but we don't hear from who will be using the gas—the end-users. The reason it is significant is because it is conceivable an end-user (Chicago Power & Light) can enter into a long-term contract at a fixed wellhead priced at a specific cubic feet per day. I don't quite understand why we are not exploring the role of the user. Williams: Wasn't there an effort to do that in the '80's and wasn't the answer that the regulatory agencies wouldn't let the utilities take on the risk on behalf of their rate payers? Heinze: That was 25-30-years ago. There are regulators throughout the U.S. who will seriously consider the value of long-term commitments. Rep. Samuels: We have not talked to end-users. During last year's debate there was talk about the cost of marketing Alaska's gas, but we did not talk to the specific users. I can talk to some of the Committee Chairs as we move forward.

Bulmer: One of the major concerns with the Murkowski plan was the length of time to lock in taxes.
Rep. Samuels: No, the biggest concern was that it was a lock-in of taxes with out work commitments, or "hammer" to force construction. Bulmer: What kind of discussion has the Legislature had since then? Rep. Samuels: Governor Palin's plan does have specific deadlines. You must have an Open Season within 36 months… you must continue to get the FERC certificate, etc. Whether or not corporate behavior will adhere to these timelines that is the trillion dollar question. I think having a timeframe for an Open Season is not a bad thing. Moving forward to a FERC certificate with no customers….the FERC says legally they can go through, they have never done it before. In a normal course of events a pipeline company gets to an Open Season and if they don't get enough gas, they will deal with their customers. What ideas do you have to make this a viable project? That is the normal course of events. However, what the Bill says is that you will continue to the certificate process. At the Federal certificate, the political thinking is that they will have to commit the gas. There will be too much pressure; if you have a completely designed pipeline with a Federal certificate, they will have to commit the gas. If I were a producer, I would ask how you can possibly design a pipeline if I don't know how much gas I am going to give you. What TransCanada has testified is that they are willing to go to the Open Season and if it fails, they don't want to go toward the Federal certificate. Mid America has said the process works fine, they will get the gas, don't worry about it.

Bulmer: You have said there is a need for the people to force the Legislature to act on this issue. Rep. Samuels: I think the people should force a vote. It is really easy to keep studying the project and do nothing. There are people probably agree with Tom and may believe that having a vote is not necessarily a good thing. But, force me (as a legislator) to choose.

Discussion continued about how to engage the public and the fact that legislators listen to their constituents.

Heinze: A couple of points from the ANGDA perspective; you don't have to respond. First, we are concerned with the in-state issue. The provision that is in there now is pretty strong in terms of the requirement for distance based tariffs and the availability in the state, etc. It is a far better structure that was there before. Second, one of the troubling parts of the $500 million, no matter what the rules are, is that it seems to me that we are setting ourselves up to put public money into something and not making the results-- the product of that money-- public. I have a lot of concerns about that. Rep. Samuels: The results, meaning an equity position? Heinze: Whatever the $500 million went for. It went to someone to do something. Can I see it or not? Rep. Samuels: The proposal you will be able to see. Do you want to see the engineering work? Heinze: That might be good, if you spent public money on it. If a highway is built, we get to see that design. Rep. Samuels: Understood. We have gone round and round about what will go public. I believe where we are now, if I were king for a day, is that all of the proposals would be public, including those that are rejected.

Moriarty: I have a process question. I know the Bill is in House Resources and Senate Judiciary right now. What is leadership's current vision on the timeline and votes?
Rep. Samuels: I think it will get out of those committees in about one week. Finance Committee still has to review the Budget. Do I think it will pass this session? If I had a gun to my head I would say no, but it is not out of the realm of possibilities. I don't know yet and have not talked to the Finance Chairs in quite awhile, but eventually they will need a briefing. The timing for the Anchorage Chamber is good, but I don't think you have time for your full internal process.

Williams: Going back to the Commissioner's choice issue...the legislative rules require a two-thirds vote to adopt and to change. What if you enacted a permanent rule of the Legislature that automatically carried forward every two years, as the new Legislature reorganizes itself, that says for this AGIA choice committees cannot refuse to report and that provides a specific time frame for committee action and when go to the floor with a vote? Rep. Samuels: Let me think this through. There was some discussion about whether it be a resolution or a statute...I don't see a problem as a Chairman killing it in committee, stranger things have happened, but let me think that through. You don't want to create a timeline that limits information.

Wiget: Aren't the pipeline designs proprietary information?
Rep. Samuels: You could find different ways to keep it confidential during the design process. Heinze: Ultimately, at the FERC certification you have to bare your soul. Rep. Samuels: Once the winner gets picked, it's all open and I assume the National Energy Board (NEB) the "Canadian FERC" is the same.

Haugen: Back to the evaluation criteria issue. Is there no more debate, what action took place? Rep. Samuels: We changed it so they had to look at a series of economic factors. You have a suite of discount rates at net present value and you give them all and the State has to run all applicants on the same criteria. It was difficult to put weighted averages on each piece, so we just required the State has to come back to the Legislature to justify their decisions on record. Haugen: It seems to me that that dog-fight will erupt legislatively, rather than administratively. Rep. Samuels: It will be an interesting process. That is why I said earlier, force us to vote and don't let us study the issue to death.

Committee discussion returned to how groups can empower the public to contact their Legislator and how the Anchorage Chamber can impact change.

Heinze: Earlier, you brought up the issue of rolled-in rates. I guess I see the issue a little differently. I was one of those five or six people who went and argued before FERC and I think we came out with a victory. I am a little at a loss to see why we see that we need to significantly revisit that ground, in light of the fact that I have never anyone say that FERC makes political decisions. Why wouldn't you want a fair and honest decider like that? That is what FERC does and they are far better practiced at it than the Legislature. Rep. Samuels: I am the wrong guy to ask that question. Heinze: Understood. I am sharing a perspective with you. I understand why companies want out from under RCA, but I don't understand why the State wants out from under FERC Rep. Samuels: That would be a good question for the Administration.

Cattanach: I personally am concerned about the Administration saying "they will come, I know they will come". The risk if they *do not come* is severe to Alaskans. I am relying on the Legislature to do the right thing

and what is comes down to is what is it going to take to get a deal? Is the Legislature going to leave and go home for eight months and then nothing happens? As an Alaskan, I want a deal.
Rep. Samuels: In a perfect world, you would have pipeline companies talk to producer companies and would have far more activity between the producer companies and Administration than we have had so far. Casual conversations don't get a project of this magnitude built. TransCanada says the rights in Canada, so one way they will play a role.

I have been accused of being a shill for the oil companies, and frankly I find that offensive. Finding that middle ground, politically, is tough. Trying to have a government trying to force corporate behavior....for Exxon this project probably isn't the largest project in the world. But to a company like ConocoPhillips, what happens to their share value if this project goes horribly sideways? It seems to me that we are all going to be forced to pick a side instead of the middle ground.

Higgins: If the Legislature had to vote tomorrow, where are people leaning right now? Unfortunately it seems to me right now that all Alaskans know at this point is that they want a deal .There is no firm opinion on the particular proposal that is on the table right now.
Rep. Samuels: As the process moves forward, more discussion takes place and more legislators are involved. There are many different sides, ranging from get a deal done at any cost, to I don't care, screw the oil companies. You have to take personalities out of it and whether or not you like the Governor has nothing to do with it.

Schubert: We had ConocoPhillips at our last committee meeting and one of the things they said is that AGIA constrains them from getting creative in their proposal. How are you, or how is the Legislature, responding to that?
Rep. Samuels: There will probably be a lot more discussion, I am not sure if there is a movement to change it. Instead of saying you *must* or *have to* do some things, the Producers are saying to make all things variable. There will be a lot of people that will think that is a good way to go. The Producers are also saying not to make it an exclusive license. This issue becomes more politically problematic because if you don't have an exclusive license that allows a Mid America or TransCanada to play. If I were TransCanada, would I risk my capital and go through a failed Open Season and again risk my capital to continue to FERC certification if I knew the State could be negotiating another deal with the Producers? It would become more politically problematic to take away the exclusivity clause.

Further committee discussion about the expected vote in Juneau and how to engage the public.

Rep. Samuels: If I were the Anchorage Chamber, I would stay away from all of the constitutionality issues and background noise. Focus on the philosophical concept, should the State cough up $500 million to entice players who otherwise would not risk their money to participate in the project? Should you own something for $500 million? Philosophical questions like that, the constituents understand.

Next committee meeting: Wednesday, April 25, 11:30 a.m.-1 p.m., Alaska Regional Hospital.