

## The Alaska Stranded Gas Development Act: A 2004 Snapshot

### The Stranded Gas Development Act

Passed in 1998 and updated in 2003, the Alaska Stranded Gas Development Act (SGDA) envisioned a pipeline that would have run from Prudhoe Bay to Fairbanks, before following the Alaska Highway to Canada and ultimately to the natural gas distribution hub in Alberta.

- Allowed the state administration, subject to legislative ratification, to negotiate with project sponsors for tax and royalty rates.
  - Superseded the affected municipalities' ability to collect property taxes from a project developed within the parameters of the SGDA.
- The economic impact model developed in 2004 assumes Alaska has the capacity to absorb significantly more construction-related impacts than during TAPS because of the greater breadth and sophistication of the state's economy today.
- Model assumes the Sponsor Group and the state of Alaska will prioritize:
  - High-skills job training for Alaska workers to maximize the opportunities for Alaskans.
  - Media campaigns advising residents of other states that gas pipeline construction will rely predominantly on skilled Alaskan workers...ultimately discouraging speculative migration to Alaska for non-specific pipeline jobs.

**Comparison of anticipated Project Costs** (AK LNG costs estimated from 2013 Office of the Federal Coordinator report):

	<b>SGDA (2004)</b>	<b>AK LNG (2013)</b>
Gas Treatment Plant	\$2.6 Billion	\$13 Billion (est)
Alaska Portion of Gas Line	\$4.3 Billion	\$12 Billion (est)
Liquefaction Plant	NA	\$20 Billion (est)
<b>TOTAL PROJECT COST</b>	<b>\$21.5 Billion</b>	<b>\$45-65 Billion</b>

Projected Impacts from Stranded Gas-era Pipeline Project:

	<b>SGDA (2004)</b>	<b>AK LNG (2014)</b>
Labor Impacts (new jobs):	9,300	9,000 – 15,000
Alaska Population Growth:	9,400 – 10,400	
Infrastructure Costs (Muni):	\$19.1 Million	
Public Safety Costs (includes Troopers):	\$25.9 Million	
Health and Human Services:	\$4.9 Million	
Education Costs:	\$18.5 Million	
Wage Inflation Costs:	\$11.2 Million	
<b>TOTAL MUNICIPAL CONSTRUCTION IMPACT:</b>	<b>\$120.6 Million</b>	