

ALASKA DEPARTMENT OF REVENUE

# News Release

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## Financial experts to join team negotiating gasline

**ANCHORAGE** – The Alaska Department of Revenue has issued an intent to award a contract to a consortium of three financial consulting firms to advise Governor Frank H. Murkowski’s team that is negotiating for a pipeline agreement to move North Slope natural gas to market.

The consortium includes Challenger Capital Group of Dallas and Credit Suisse First Boston and UBS Investment Bank, both headquartered in New York City.

Revenue Commissioner Bill Corbus said the consulting team will begin its work immediately. It will coordinate its activities through Deputy Revenue Commissioner Steven B. Porter.

Porter said that UBS has been a key underwriter for state and municipal public finance in the state for many years, “with direct knowledge and experience working in Alaska.”

Corbus said the consortium would function collectively as a financial advisor to the negotiating team. “They will work mostly with the financing group, providing assistance as the state gas entity is formed.”

“At least two distinct financing structures are needed,” Corbus said. “The state will need to fund an equity interest in a limited liability corporation or other operating entity. The operating entity, perhaps in the form of a limited liability corporation, will need to finance – or participate in the financing – of construction of the natural gas pipeline in order to bring Alaska stranded gas to market.”

UBS is one of the firms that has helped the state negotiating team evaluate alternative financial structures and options as the state entered into negotiations with applicants under the Alaska Stranded Gas Act.

“Three firms are in the consortium,” Corbus said. “But their expertise really reflects the solid qualifications of the ten firms that responded to our request for proposals. We are grateful for the interest shown by all of these firms.”

“We are especially pleased,” the commissioner added, “that the hard work of Governor Murkowski’s negotiating team has brought us to the stage when it’s time to bring on a financial advisor.”

Government Finance Associates, a long-time state financial advisor, will continue to work with the negotiating team on state credit and financial issues.

(MORE)

“When we are ready to talk to the credit rating agencies about any financing associated with the gas line, we will need Government Finance Associates directly involved,” Corbus said.

Porter said the consortium of Challenger, Credit Suisse and UBS has considerable experience putting together successful energy transactions around the world. “The state expects to utilize this valuable knowledge in arranging a transaction that will provide maximum benefit to Alaska and its citizens.”

Observers familiar with the gasline negotiations say they involve a complex set of factors and both private- and public-sector parties.

“The consortium brings special knowledge and performance in developing and implementing financing plans to solve these complicated problems,” Porter said. “Members of the consortium have worked on public and private finance projects in Alaska for many years as advisors and underwriters.

“We expect to rely upon this unique background for putting together a gasline that is especially beneficial to the interests of the state.”

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