

Statement of Larry Persily
Nominee for the position of Federal Coordinator
Office of the Federal Coordinator for Alaska Natural Gas Transportation Projects

Senate Energy and Natural Resources Committee – Feb. 2, 2010

Chairman Bingaman, Senator Murkowski and members of the committee, thank you for allowing me this opportunity to present myself and the hopes for an Alaska natural gas pipeline.

Senator Begich, thank you for that introduction.

If confirmed for the position of Federal Coordinator for Alaska Natural Gas Transportation Projects, I pledge to devote my energy, my knowledge and ingenuity to the prospect of a very large and very long steel pipe to bring North Slope natural gas to America's consumers.

The entire project could require two and one-half million tons of steel, maybe more. That's five times as much as went into building the trans-Alaska oil pipeline 35 years ago.

At an estimated construction cost approaching \$30 billion, the pipeline, its compressors and gas treatment plant would be the largest private-sector project ever in North America.

The superlatives are overwhelming, even for a state so proud of its geographic superlatives.

- The world's largest natural gas treatment plant.
- An estimated 50 million worker hours just to build the pipeline itself.
- More than 5,000 bulldozers, backhoes, loaders, graders, trucks, trailers and side-boom pipe layers to dig the earth, move the equipment and set the inch-thick steel pipe in place.
- Tens of thousands more workers to build the equipment, tools and pipe for the job, and even more to get everything to the work sites.

The economic benefits of a secure, domestic energy supply would spread across North America, along with the environmental benefits of clean-burning natural gas. The president supports the project, and I appreciate his confidence in nominating me for this position.

If confirmed, I will work to ensure that the companies willing to take the financial risk receive fair and expeditious federal reviews for the permits, leases, rights-of-way and certificates required for the project. That includes continuing to work with agencies to ensure that the environment is fully protected during construction and operation.

If confirmed, I will work closely with the State of Alaska and the provincial, territorial and federal governments of Canada to continue the close coordination essential for a successful project.

If confirmed, I will ensure that this committee, Congress and the executive branch have all the information needed to understand the project, how it could fit into a national energy policy, the substantial financial risks, the equally substantial rewards to the nation, and the issues that must be resolved before anyone can order ribbon for the groundbreaking.

But first, I realize I need to convince you of my qualifications for the job.

I have not run for office since student body president at Purdue University almost 40 years ago. I have never been a federal employee or welded a section of steel pipe.

But I have worked on the Alaska gas line issue — and oil and gas issues generally — as a state official for the better part of the past dozen years. Through my 30-plus years in Alaska, I have studied the history, the stacks of reports on the North Slope gas line which was first proposed when oil and gas were discovered at Prudhoe Bay in 1968.

I have served as deputy commissioner at the Alaska Department of Revenue, associate director of the state's Washington, D.C., office and, currently, as oil and gas aide to the co-chair of the state House Finance Committee. I know the issues, the history and the players, and have worked hard to earn the respect of those involved in the gas line effort.

I know what has and hasn't worked through the years. If confirmed, I intend to look for what else will work to get this project under way.

As a kid, I remember the unused coal bin in our basement — the previous owner had switched to natural gas. I also remember the hopper cars from the steel mills near our home in South Chicago, pouring molten slag that lit up the sky so much we would drive over and park, just to watch.

I know a lot more now about natural gas and steel pipe than I did then, but I'm still fascinated at how all the pieces fit together to fuel the nation.

I appreciate your consideration of my nomination, and ask that you allow me to play a role in fitting together the pieces of an Alaska natural gas pipeline.

With your permission, I will submit my statement for the record, and I would be pleased to answer any questions.

Thank you.