

Introduced by: Mayor, Superman  
Date: 02/18/03  
Action: Adopted  
Vote: 8 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH  
RESOLUTION 2003-024**

**A RESOLUTION SUPPORTING THE PASSAGE OF HOUSE BILL 57 AND SENATE  
BILL 50 AMENDING THE MANNER OF DETERMINING THE ROYALTY  
RECEIVED BY THE STATE ON GAS PRODUCTION AS IT RELATES TO THE  
MANUFACTURE OF CERTAIN VALUE-ADDED PRODUCTS**

- WHEREAS,** Agrium Kenai Nitrogen Operations is exceptional for its combination of high pay levels, amount and concentration of expenditures in the Kenai Peninsula Borough and Alaska; and
- WHEREAS,** Agrium Kenai Nitrogen Operations is one of the few industries adding value to Alaska's natural resources by using Cook Inlet natural gas to create anhydrous ammonia and two forms of urea; and
- WHEREAS,** Agrium Kenai Nitrogen Operations purchases natural gas from producers in Cook Inlet; and
- WHEREAS,** Agrium Kenai Nitrogen Operations markets its products around the world competing against major world competition which is primarily based upon the monetization of trapped gas resources; and
- WHEREAS,** Agrium Kenai Nitrogen Operations is the Kenai Peninsula's third largest private employer and accounts for an additional 700 jobs in Alaska and the Kenai Peninsula Borough; and
- WHEREAS,** Agrium Kenai Nitrogen Operations expenditures in Alaska are spread to over 250 businesses statewide with 118 companies located within the Kenai Peninsula Borough; and
- WHEREAS,** House Bill 57 and Senate Bill 50 have been introduced which will provide for the State of Alaska to enter into agreements with non-affiliated natural gas producers to accept as the price for the State's royalty share the price established in an arm's length contract negotiated between the natural gas producer and Agrium Kenai Nitrogen Operations;

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1:** That the Kenai Peninsula Borough Assembly urges the 23<sup>rd</sup> Alaska State Legislature to enact House Bill 57 and Senate Bill 50, Acts amending the manner of determining the royalty received by the state on gas production as it relates to the manufacture of certain value added products.

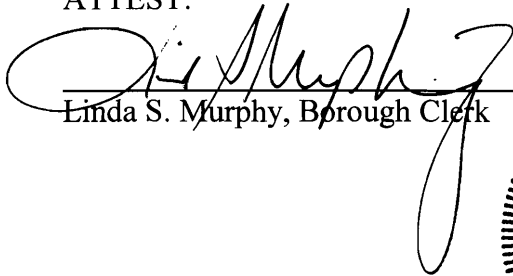
**SECTION 2:** That copies of this resolution shall be sent to Senator Tom Wagoner, Senator Alan Austerman, Representative Mike Chenault, Representative Paul Seaton, Representative Kelly Wolf and Governor Frank Murkowski.

**SECTION 3:** That this resolution takes effect immediately upon its enactment.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 18TH DAY OF FEBRUARY 2003.**

  
Pete Sprague, Assembly President

ATTEST:

  
Linda S. Murphy, Borough Clerk

