To: House Resources Committee, Reps. Lincoln and Tarr

The Alaska Public Interest Research Group (AKPIRG) is writing on behalf of the public interest to urge the House Resources Committee to host a legislative hearing session about the sale of BP’s assets to Hilcorp. This issue is extremely complex and the public has not had adequate time to become informed. Additionally, the public has exactly one mandated opportunity to submit comment about the sale--through the Regulatory Commission of Alaska’s transfer of BP’s pipelines into Hilcorp’s hands, a window which is set to close within the next month. AKPIRG has heard from numerous individuals that they want more time to submit a comment, and we believe that by holding a legislative hearing, the public will be able to give more substantive comment to the Regulatory Commission and for the Alaska legislature to decide what needs to be done to protect the public’s interest in this matter.

Sincerely,

Veri di Suvero
Executive Director
Alaska Public Interest Research Group

Messages AKPIRG has received from the public requesting more time to learn about this deal include:

----

As a 58 year resident of Alaska, I am deeply concerned about the recent sale of AlaskaBP assets to Harvest Alaska, LLC, a subsidiary of Hilcorp, LLC. I am especially worried that the RCA may not have sufficient capability to deal with any future irresponsible behavior on the part of the Harvest/Hilcorp LLC.

It is well known that Hilcorp has one of the worst safety and environmental records of any oil company operating in Alaska.

In light of the above, and since Harvest Alaska LLC and its mother corporation are both Limited Liability Corporations, I worry that in the event of an accident (eg. oil spill) anywhere in Alaska and offshore, Harvest/Hilcorp will not be able to pay for the clean-up and post clean-up operations and consequences of the spill. As things stand now, we know nothing of their finances and therefore of their ability to foot the entire bill for such a clean-up. Therefore, before the ownership transfer occurs, RCA must make sure that it has access to Hilcorp’s audited financial statements, so Alaskans know if Hilcorp has and will have sufficient funds to deal with a serious and expensive future accident.
In line with the above, RCA should require Hilcorp to demonstrate that it carries insurance to cover any would-be spill that might cause the equivalent of the cost of the ExxonValez spill in 2019 dollars: 7.5 B dollars! Hilcorp should also be required to undergo annual environmental compliance reviews and quarterly financial disclosures to ensure it will always have the assets to cover its liabilities.

It is essential that RCA insist that Hilcorp and indeed all TAPS owners place these essential cleanup funds in a publicly transparent escrow account. Only in this way can Alaskans be more assured that TAPS assets will remain secure and that any accidents will be dealt with expeditiously. In this way, not only will the natural environment be more secure, but also the economy of our State.

**Since this is such a big deal for Alaskans, the RCA should allow an even longer extension to its extended comment period.** Even two more months might not be long enough to allow all Alaskans to understand how important this sale is. But let’s start there.

Again, since this is Alaska’s most important business transaction in more than a generation, it is critical that RCA take the above concerns seriously when deciding how to best ensure that this deal benefits all Alaskans, not just Hilcorp itself!

Thanks.

Frank Keim,
2220 Penrose Lane,
Fairbanks 99709

--

I am concerned about this purchase for many reasons. One is Hilcorp has a record of environmental problems with its offshore oil wells near Nikiski. Hilcorp also won’t be paying as much in Alaska taxes as BP did (as a publicly traded company). We don’t know what Hilcorp’s assets are, since it is privately held, and does it have enough infrastructure to manage its part of the Trans-Alaska Pipeline?

Charles Bingham, Sitka, Alaska

--

My name is Phillip Moser, I am a resident of Juneau Alaska and I wish to comment on the docket issue P-19-017 regarding the acquisition of BP assets to Hilcorp LLC. I have followed issues concerning both BP and Hilcorp for years, and neither has a particularly good track record of responsibility in Alaska. Hilcorp is set to receive billions of dollars worth of assets from British Petroleum. However, Hilcorp has a long track record of substandard safety and environmental regulation compliance, and has been opaque about their finances. The Regulatory Commission needs to take action to prevent a company with a poor track record from endangering people and the land they work with. The comment period needs to be extended so that Alaskans can adequately look into and present their knowledge and concerns to the commission. Hilcorp should be required to submit annual environmental compliance reviews, as well as submit quarterly financial disclosures to ensure that they have properly followed regulations and have the resources to remedy any failures. They absolutely must be required to be more transparent with finances and compliance than they have been in the past.
Phillip Moser, Juneau, Alaska

Do not give a small company like HillCorp the enormous liability BP currently carries. It's irresponsible to the longterm well-being of the people of this state to make this transfer to a private company, especially when the same company has such a horrendous response record to their previous environmental calamities.

Extend this ridiculously short response period.

Ronald Hill, Fairbanks

Mr Pickett, Please extend the comment period for action on the Hilcorp/BP issue. There has been far too little information made public on the potential for environmental damage considering Hilcorp’s record. Also, since Hilcorp is a private company, not like BP, Alaskans will never get to see their books.

David Nebert, Fairbanks

I am deeply concerned by Hilcorps track record, especially when it comes to worker safety and environmental protection. Now that they will have a controlling share of the TAPS, we need to ensure that the highest standards of environmental stewardship is followed. Hilcorp should be required to undergo annual environmental compliance reviews and quarterly financial disclosures to ensure it always has the assets to cover its liabilities.

Jessica Thornton, Anchorage