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Viewpoints

A review: Hosie shines his feature length AGIA gig

By Sen. Kim Elton

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Spencer Hosie is to oil and gas litigation as actor Johnny Depp is to *Pirates of the Caribbean: Dead Man's Chest* -- charismatic and very, very, very successful. So it's not surprising Hosie's 90-minute 'Pirates of Deadhorse' gasline gig was strong on both substance and style.

Expectations ran high leading up to Hosie's solo improv performance because his reputation is impressive. The *National Law Journal* calls the litigator one of the 10 most successful lawyers in the country and over his career he's won or settled cases worth nearly \$2 billion. He's done oil and gas work for the State of Alaska dating back to the mid-1980s, so his mastery of the Last Frontier genre is not surprising.

The theme of Hosie's solo star turn at the Alaska Gasline Inducement Act (AGIA) venue was: "oil companies have obligations and the state has rights." In the compelling voice of a top courtroom actor, he noted that in return for state oil and gas leases that gave the multi-nationals 87.5 percent of any hydrocarbons they find, big oil promised to use their expertise to develop and market profitable oil and gas fields, the compelling voice of a top courtroom player noted. His premise was logical and held together by a strong story line artfully delivered.

Voice dropping to a low-pitched vibrato, the performer noted this 'develop and market' obligation does not have an asterisk that allows big oil to stiff Alaska while they pursue other global natural gas options. In return for their 87.5 percent share, Hosie dramatically opined in a voice as resonant as Gregory Peck's, big oil gave up any ability to unilaterally warehouse Alaska's profitable gas until our reserves match their business plan. (To drive home this point, Hosie tossed in one of his best *ad lib* observations, noting that Alaska seems a safe place for big oil to warehouse natural gas because we're slower than governments in other parts of the world to take back leases for non-performance.)

In the course of developing his story line, Hosie delivered an unexpected thematic twist. In a dramatically out-of-character moment for a litigator who makes a spectacular living out of going to court, he surprised his audience in one memorable scene (using an especially erudite line that possibly misread

his audience's knowledge of the literary arts) by referencing Dickens' classic *Bleak House* to make the point that taking big oil to court to compel the marketing of Alaska gas simply is a desperate ploy to be avoided at almost all costs. AGIA, he added in an aside, trumps the need for courtroom theatrics because TransCanada's application moots arguments from North Slope producers that delivering Alaska gas to North American markets is uneconomic.

By this point in his performance, Hosie was completely settled into his role. He artfully brought to a staged crescendo his conclusion that TransCanada is right--market conditions for North Slope gas are extremely favorable. In other words, the desperate *Bleak House* scenario, he said, is unlikely.

That's because TransCanada's willingness to produce a gasline without big oil means any court battle over the marketability of that gas likely is a fool's errand by North Slope producers. In an especially pregnant improv theater moment, Hosie noted to a questioner that the ConocoPhillips/BP gasline concept further demonstrates big oil companies already believe North Slope gas is marketable. Any glitzy, big budget courtroom production by big oil alleging non-marketability and aimed at project delay, Hosie said in summation, will be short term flops.

All-in-all, Hosie's strong two-act (June 8th and 9th) performance was compelling to a critical audience of legislators and gas market experts. It should help bring down the curtain on big oil's stalling act.

About: Sen. Kim Elton is a member of the Alaska Legislature representing Juneau.

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