

Dave Harbour  
2440 E Tudor Rd. #463  
Anchorage, Ak. 99507

December 17, 2011

Dan Fauske  
President  
Alaska Gasline Development Corporation  
Anchorage, AK

Dear Dan:

Last week I tendered my resignation, effective yesterday, and you asked me to reconsider. I have reconsidered and believe my decision is solid, good for all concerned and serves the public interest as well. Your kind and persuasive offer for me to reconsider is deeply appreciated and motivates me to further explain this course of action.

Along with the letter last week, I offered you several recommendations to support the continuing success of AGDC and was delighted at your positive response. I am sure the organization and state will be well served as a result.

While three quarters of my career has involved private sector employment, the rest has been in public sector assignments. In the former, maintaining efficiency was a responsibility to management and shareholders. In public sector assignments I've always held that efficiency should be rigorously maintained as a responsibility to taxpayers.

When I joined AGDC on October 3 as External Affairs Director, I soon identified the proper construction of the department as top priority. With help from our trusted associate, Leslye Langla, I recommended that a proposed organization chart be adjusted to reduce both the number and the compensation/classification of external affairs employees. You agreed with these efficiencies. I forwarded job descriptions on to the human resources department.

A further efficiency involves the position I vacated yesterday. Public monies need no longer be paid to me. I have done my work and professionally advised you on all manner of external affairs matters. I am pleased and honored that you and I have agreed on most of these. The reason I now hope you will understand and agree with me on my departure is that Leslye – given the help our agreed upon organization provides – is perfectly capable of running the department which I now recommend be renamed the "Public Affairs Department".

The department should continue to manage internal and external communication issues (i.e. including critically important stakeholder engagement matters) but with the notable exception that it would *not* manage legislative affairs. At this early stage of the organization's growth, you do not need someone of my level to accompany you in your legislative meetings. As you have said, AGDC is not a lobbying organization; it exists to implement statutory energy policy. With the help of your new administrative assistant and your own superb legislative relationships, you can do the part time legislative job just fine and direct saved funds to the project's ongoing and essential EIS and related stakeholder processes.

You have honored me by hiring me to advise you. You have further honored me by asking me to stay, which I admit is tempting. But under these circumstances I think any citizen would agree that this important project is best and most efficiently served as I've described.

Please feel free to call on me for advice and counsel at any time, no charge. The Alaska Stand Alone Gas Pipeline provides highly populated areas of the state -- from Interior to Southcentral Alaska -- with "insurance" in the event AGIA with its spur line option and Cook Inlet gas discoveries fail to materialize as hoped and when hoped. Yes, that "insurance" requires payment of a "premium" that enables AGDC to continue pursuing its mission toward open season and final sanctioning. But the good news is that the premium can be terminated whenever elected officials believe citizens have a more secure source of energy.

By copy, I also wish to thank my public affairs colleagues for their professional and selfless support and guidance. I would be grateful were they to pass on to fellow employees and contractors who might inquire my esteem for their dedication and unwavering sense of mission.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dave", with a large, stylized loop at the beginning.

Cc: Leslye Langla  
Stacy Schubert

Dave Harbour  
2440 E. Tudor Rd.  
#463  
Anchorage, Alaska 99507

December 15, 2011

Dan Fauske  
President  
Alaska Gasline Development Corporation  
Anchorage, Alaska

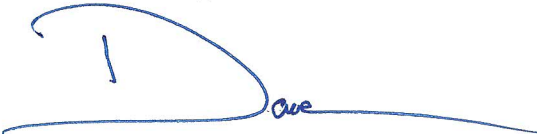
Dear Dan:

I enthusiastically accepted the temporary executive position of AGDC's External Affairs Director with the expectation of supporting your efforts -- and those of the Legislature and Governor -- to provide an intrastate conduit for transportation of North Slope natural gas.

With most of the temporary organizational tasks complete, I hereby offer my resignation effective close of business tomorrow following my return from Fairbanks, or today, if you wish.

Under separate cover I will provide you with departing recommendations.

Sincerely,

A handwritten signature in blue ink, appearing to be "Dave", with a large, stylized initial "D" and a horizontal line extending to the right.