

Renkes' panel spot contested

HOLLIS FRENCH: State senator sees Alaska attorney general as potential liability.

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An Anchorage lawmaker wants Gov. Frank Murkowski to remove state Attorney General Gregg Renkes from a state panel negotiating taxes and other terms related to the development of a multibillion-dollar Alaska natural gas pipeline.

Sen. Hollis French, D-Anchorage, said Renkes' past ties as an industry lobbyist for oil companies BP and Arco and the current ethical cloud enveloping the attorney general because of his connections with KFx Inc. make him a potential liability as the state negotiates a gas line contract.

"The people of the state deserve public servants who avoid even the appearance of impropriety. This holds especially true in the case of the attorney general, whose position demands adherence to the strictest ethical standards," French said.

Murkowski spokesman Mike Chambers said, "French is stretching the executive branch ethics act to the point of straining it.

"He seems to be saying that anyone who had a relationship with a company in the past can't serve the government," Chambers said.

Renkes recently became the target of an ethics investigation after his stock ownership in KFx, a Denver company that he publicly promoted as a state official, came to light. Former U.S. Attorney Robert Bundy is conducting the probe at the request of Murkowski.

Renkes was chief of staff for Murkowski when he was in the U.S. Senate. Renkes also was staff director of the Senate Energy and Natural Resources Committee.

When Murkowski appointed Renkes as Alaska attorney general in December 2002, Renkes owned a lobbying firm in Washington, D.C., called The Renkes Group Ltd. His clients included Arco, the corporate predecessor to Conoco Phillips, and BP, according to disclosure reports filed with the Senate.

His reports show that BP America paid him \$20,000 in 2001 and \$20,000 in 2002. Arco paid Renkes \$20,000 in 1998 and \$40,000 in 1999, according to his disclosure reports.

Renkes sits on the state's Stranded Gas Act negotiating team. The panel is led by Renkes along with the commissioners of revenue and natural resources. It's charged with negotiating fiscal terms with applicants who want to build a pipeline to bring North Slope natural gas to market.

French said the gas producers and the state need to look out for their own best interests during the negotiations. Billions of dollars are at stake, and "there's going to be plenty of room for finger pointing about the process," he said.

"My concern is to remove the obvious points of contention, and I think that given the KFx allegations and the attorney general's past as a professional lobbyist on behalf of BP and Arco, you



"The people of the state deserve public servants who avoid even the appearance of impropriety," French said.
(Photo by Seanna O'Sullivan / AP)

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have a good chance that someone will say, 'This is bad,'... rightly or wrongly," French said.

"Having Alaska represented by anyone with private financial ties with industry raises the appearance of impropriety and questions of allegiance," he said.

Neither Revenue Commissioner Bill Corbus nor Tom Irwin, commissioner of the Department of Natural Resources, thinks Renkes needs to go.

"As far as I'm concerned, Renkes is a very valuable member and has made important contributions," Corbus said.

"Every bit of involvement I've had with the attorney general on DNR's behalf has been clearly above board and what's clearly in the best interest of Alaska, and that's unequivocal," Irwin said.

Ken Boyd, a former state oil and gas director, said it would be hard to find competent people to serve on government panels in Alaska that don't have ties to big oil. Plus, Renkes' voice is just one of several on the stranded gas panel, he noted.

"Renkes is part of a team. The idea that he could somehow influence a whole bunch of people because he once had an oil company lobbying position is a bit of a stretch," Boyd said.

Boyd said Renkes "showed poor judgment" in promoting KFx while also owning stock in the company.

"Was it a wise thing to do? No. I think he would probably agree," Boyd said.

Renkes has not responded to interview requests for more than two weeks. It's not known whether he has sold his KFx shares or moved his investment portfolio into a blind trust like he said he would earlier this month.

Former U.S. Attorney Wev Shea, a Republican critic of the Murkowski administration, said recently that Renkes should resign. Owning stock in a company and promoting it as attorney general "is the most basic conflict of interest one could have," and if Renkes doesn't recognize that, he's not fit to serve, Shea said.

"The way a lobbyist approaches a conflict of interest is different than a person who is in a position of trust. When you're a public servant, you're answerable to all the citizens of Alaska," Shea said.

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