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**ALASKA GASLINE DEVELOPMENT CORPORATION**

**PUBLIC HEARING**

**NOTICE of PROPOSED CONFIDENTIALITY REGULATIONS of the  
ALASKA GASLINE DEVELOPMENT CORPORATION**

October 15, 2015  
9:00 a.m.  
Anchorage/Juneau/Fairbanks

P R O C E E D I N G S

(On record - 9:07 a.m.)

LEVINTON: Good morning. Welcome to AGDC or the Alaska Gasline Development Corporation. My name is Leah Levinton. I'm the external affairs coordinator at AGDC and I'll be moderating today's Public Hearing.

On September 18th the AGDC Board of Directors initiated a public comment period on a set of proposed regulations dealing with confidentiality. A copy of the proposed regulations are available on the AGDC website and there are also hard copies on the table just outside the entrance of this room.

All comments on these regulations must be received no later than 5:00 p.m. on October 21st and that's next Wednesday.

This morning we will be taking comments in person. We're scheduled until 10:00 a.m., but we'll certainly extend if necessary.

AGDC will aggregate all the public comments we receive including those provided today and make them available on the public website at [www.agdc.us](http://www.agdc.us) at the close of the public comment period on the 21st.

Any substantially similar questions we receive prior to Monday, which is 10 days before the close of the comment period, will be made available on the website

1 with responses.

2 If you would like to testify today, please, sign in  
3 on the sign-in sheet located on the table in the side  
4 hall as you entered the room. We'll take testimony  
5 from the list in order of sign ups, so if you haven't  
6 signed in, please, go ahead and do that now.

7 If we have people on line today we will alternate  
8 accepting testimony between the attendees present in  
9 the room and those on the phone line.

10 I will not be responding to your comments or  
11 questions today. I'm here to moderate the hearing and  
12 to ensure that your testimony is taken. We have a  
13 Court Reporter here today to record the testimony.  
14 Please try and limit your testimony to no longer than  
15 three minutes so we can accommodate everyone that  
16 wishes to provide their comments this morning.

17 If you would like to submit your written comments  
18 today, we can accept those as well. You can provide  
19 them to Gwen Graham who is right here and with that,  
20 lets begin.

21 When you testify, please, state your name and  
22 affiliation before providing your comments. And the  
23 first person we have on the list is Ms. Lydia Johnson,  
24 so if you'd like to come up to the podium. Microphones  
25 should be on.

1 (Off record comments on microphones)

2 JOHNSON: Okay, are you guys ready. Well, good morning. My  
3 name is Lydia Johnson. I'm the Technical Manager for  
4 the Alaska LNG project and I'm also an employee of  
5 ExxonMobil and I just wanted to make a statement.

6 One of the strengths of the Alaska LNG Project Team  
7 is the ability to draw on the experience and expertise  
8 of the people from all five co-ventures which are BP,  
9 ConocoPhillips, ExxonMobil, TransCanada and AGDC.

10 And when AGDC entered the gas project in -- the LNG  
11 project in July of 2014, they came to the table with  
12 the ability to fully participate in the venture and  
13 that includes engaging in the technical work. And  
14 they've done a great job of building their team with  
15 experienced engineers that have brought a lot of value  
16 to these discussions over the past year.

17 And many of these discussions include commercially  
18 sensitive and competitive information from third  
19 parties who are our vendors and these third parties  
20 often require the participants to sign a nondisclosure  
21 agreement to protect that information. This is a very  
22 common practice in our industry and for projects  
23 certainly of this size.

24 And if the proposed confidentiality regulations are  
25 adopted in a way that prevents AGDC from signing these

1           agreements, then it will not only compromise their  
2           ability to have all of the information needed to inform  
3           the AGDC vote as the State's representative, but also  
4           makes it very difficult for the project team to  
5           continue to work in the collaborative, open and  
6           transparent manner that's needed to maximize as much as  
7           possible the benefits and synergies of our joint  
8           venture.

9           I've got the statement, I can -- do I need to put my  
10          name?

11   LEVINTON:        That would be helpful and you can provide it to  
12                    Gwen. Thank you.....

13   JOHNSON:        Sure.

14   LEVINTON:        .....for your comments.

15   JOHNSON:        Great, thank you.

16   LEVINTON:        Gwen, do we have anyone on the phone lines?

17   GRAHAM:         Nope, no one yet.

18   LEVINTON:        Okay. Then we'll proceed with the sign-in sheet of  
19                    those present. Next on the list is Mr. Bill McMahon.  
20                    So, again, please state your name and affiliation and  
21                    then you can provide your comment.

22   McMAHON:         Okay. My name is Bill McMahon. I work with  
23                    ExxonMobil. I've been involved with the development of  
24                    Alaska gas since 1992, currently involved with the  
25                    Alaska LNG project and the commercial and fiscal

1 agreements associated with that.

2 ExxonMobil is pleased that the State of Alaska is  
3 participating in the Alaska LNG project as a way to  
4 build alignment among the participants and provide a  
5 clear signal that the State supports the project. This  
6 is consistent with the Heads of Agreement that the  
7 State signed back in January of 2014. And it's  
8 consistent with Senate Bill 138 that was enacted by the  
9 Alaska Legislature in April of last year.

10 AGDC is a valued participant in the Pre-FEED phase  
11 of AKLNG.

12 And to be frank, ExxonMobile is troubled by the  
13 proposed AGDC confidentiality regulations.

14 I don't believe AGDC can name a single private,  
15 public or state-owned company that publicly discloses  
16 its commercial agreements, including the actual terms  
17 and conditions. And we believe that if enacted these  
18 regulations would prohibit AGDC from continuing its  
19 participation in AKLNG.

20 As Ms. Johnson said, technology providers would be  
21 unlikely to license proprietary information to AKLNG if  
22 a key participant is unable to enter robust  
23 confidentiality agreements.

24 Also, disclosure of commercial terms related to  
25 AKLNG would not only be a competitive detriment to the

1 AKLNG project, but it would also put the AKLNG  
2 participants at a significant disadvantage in  
3 commercial negotiations with potential LNG buyers,  
4 potential contractors, suppliers and vendors to the  
5 project and potential lenders.

6 The Alaska Legislature has given AGDC full authority  
7 under House Bill 4 and Senate Bill 138 to enter robust  
8 confidentiality agreements necessary for a venture such  
9 as AKLNG.

10 The proposed regulations are unnecessary and harmful  
11 and should be rejected in their entirety. Thank you.

12 LEVINTON: Thank you for your comment.

13 GRAHAM: We still do not have anyone on line.

14 LEVINTON: All right, thank you, Gwen. Next attendee we have  
15 on the list is Mr. Pat Flood. You can step forward.  
16 Again, please state your name and affiliation and begin  
17 your comment.

18 FLOOD: Thank you for the opportunity to comment. My name  
19 is Patrick Flood. I've the senior lead negotiator for  
20 ConocoPhillips.

21 ConocoPhillips believes State participation is one  
22 of the key elements to the success of the AKLNG  
23 project. Our support for State participation in AKLNG  
24 includes the State participation through AGDC.

25 However, for AGDC to participate as the

1 representative of the State as a fully effective  
2 participant in AKLNG, AGDC will need to continue to be  
3 able to enter into confidentiality agreements and abide  
4 by the confidentiality agreements it has already  
5 executed.

6 As in any business venture, there has been and will  
7 continue to be commercially sensitive information  
8 shared between the parties and provided by or shared  
9 with third parties. Some of that commercially  
10 sensitive information is the property of third parties  
11 and some is confidential to the venture or project.

12 In order for AGDC to participate as a fully informed  
13 party in AKLNG and for the State to have transparent  
14 access to information in support of the State's  
15 participation in AKLNG, it is imperative that AGDC be  
16 able to sign and be bound by confidentiality  
17 agreements.

18 If the proposed confidentiality regulations are  
19 adopted, it will place the State and AGDC in an awkward  
20 position and may slow the decision making process down  
21 because of AGDC's lack of access to key information.  
22 We urge AGDC to reconsider the proposed confidentiality  
23 regulations.

24 ConocoPhillips appreciates the opportunity to  
25 provide comments at this time and intends to provide



1 further written comments during the public comment  
2 period. That's the end of my remarks.

3 LEVINTON: Thank you.

4 FLOOR: Thank you.

5 LEVINTON: Thank you for your comments. The next and last  
6 person on the list is Mr. David Van Tuyl. All right.  
7 Please state your name and affiliation and you may  
8 begin your comment.

9 VAN TUYL: Good morning, thank you.

10 LEVINTON: Good morning.

11 VAN TUYL: My name is David Van Tuyl. I'm Regional Manager for  
12 BP in Alaska. And I represent BP's interests on the  
13 Management Committee of the Alaska LNG Project, working  
14 jointly with AGDC to bring Alaska's gas to market.  
15 Thanks for the opportunity to provide public comment on  
16 the proposed confidentiality regulations for the Alaska  
17 Gasline Development Corporation.

18 For BP, confidentiality agreements are an essential  
19 part of doing business in a technically and  
20 commercially competitive world. The Alaska LNG project  
21 is one of many LNG projects around the world competing  
22 to provide supply to the market. BP wants the Alaska  
23 LNG project to win that competition. We want the  
24 Alaska LNG project to succeed.

25 Confidentiality agreements promote the exchange of

1 information among parties, allowing projects to be  
2 developed to the mutual benefit of all involved. This  
3 is true for the Alaska LNG project.

4 To date, all parties have benefitted from being able  
5 to share technically and commercially sensitive  
6 information. As a result, a competitive project is  
7 emerging and advancing.

8 The State's participation in the project through  
9 AGDC has been an important part of our success. We are  
10 concerned that these newly proposed regulations could  
11 stifle that exchange of information to the detriment of  
12 the Alaska LNG Project and BP.

13 We offer two observations about these proposed  
14 regulations which are of particular concern to BP.  
15 One, will project information already disclosed to AGDC  
16 under our existing confidentiality agreement remain  
17 confidential or would it be made public under these new  
18 regulations without the consent of the participants?

19 A public disclosure of all this historic information  
20 could seriously jeopardize the competitiveness of the  
21 Alaska LNG project.

22 And two, the proposed regulation requiring the  
23 public disclosure of the entirety of any contract  
24 provided to the AGDC Board for approval, even if that  
25 contract contains commercially sensitive, financial or

1 technical information, would seriously harm the  
2 competitive advantage that the project might otherwise  
3 enjoy.

4 As I said BP wants the Alaska LNG project to be  
5 successful. While we understand, appreciate and  
6 support appropriate public disclosure and transparency,  
7 these proposed regulations would cause significant  
8 unintended consequences and make it difficult for the  
9 project to be successful.

10 BP urges reconsideration of these proposed  
11 regulations.

12 Thank you, too, for being able to provide these  
13 verbal comments in addition to the written comments  
14 already provided by BP. Thanks.

15 LEVINTON: Thank you for your comments. We don't have anyone  
16 else on the list. Do we have anyone that called?

17 GRAHAM: We have no one.

18 LEVINTON: Okay. We'll keep the public -- oral public comment  
19 period is scheduled until 10:00 a.m., so we'll keep the  
20 lines open until 10:00 and the room open for those that  
21 may come in late.

22 For those that are present right now, thank you so  
23 much for your attendance and comments and we'll take  
24 them into consid- -- or we'll aggregate them and post  
25 them on the AGDC website when the public comment period

1 has closed. So thank you very much.

2 (Off record - 9:22 a.m.)

3 (On record - 10:00 a.m.)

4 LEVINTON: Again, this is Leah Levinton. Seeing that there are  
5 no further public comments, we will close the oral  
6 public comment period at 10:00 a.m. Thank you very  
7 much. We're done.

8 (Adjourned - 10:00 a.m.)

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I, Suzan K. Olson, Notary Public in and for the State of Alaska, residing at Anchorage, Alaska, and Electronic Reporter, do hereby certify:

THAT this Transcript, as heretofore annexed, is a true and correct transcription of said Public Hearing taken by and thereafter transcribed by Suzan K. Olson to the best of her ability;

THAT I am not a relative, employee or attorney of any of the parties, nor am I financially interested in this action.

IN WITNESS WHEREOF, I have hereunto set my hand and  
affixed my seal this 19th day of October, 2015.

ALASKA GASLINE DEVELOPMENT CORP.  
PUBLIC HEARING 10/15/15