

AMENDMENT #11

OFFERED IN THE HOUSE
TO: CSHB 2001(FIN)

BY REPRESENTATIVE GUTTENBERG

GTACA

1 Page 2, line 15:

2 Delete "sec. 46"

3 Insert "sec. 47"

4

5 Page 33, following line 27:

6 Insert a new bill section to read:

7 **** Sec. 42.** AS 43.55.150 is amended to read:

8 **Sec. 43.55.150. Determination of gross value at the point of production.** (a)

9 For the purposes of AS 43.55.011 - 43.55.180, the gross value at the point of
10 production is calculated using the actual [REASONABLE] costs of transportation of
11 the oil or gas [. THE REASONABLE COSTS OF TRANSPORTATION ARE THE
12 ACTUAL COSTS], except when the

13 (1) shipper [PARTIES TO THE TRANSPORTATION] of oil or gas
14 is [ARE] affiliated with the transportation carrier or with a person that owns an
15 interest in the transportation facility;

16 (2) contract for the transportation of oil or gas is not an arm's length
17 transaction [OR IS NOT REPRESENTATIVE OF THE MARKET VALUE OF
18 THAT TRANSPORTATION]; or [AND]

19 (3) method or terms of transportation of oil or gas are [IS] not
20 reasonable in view of existing alternative [METHODS OF] transportation options.

21 (b) If the department finds that a condition [THE CONDITIONS] in (a)(1),
22 (2), or [AND] (3) of this section is [ARE] present, the gross value at the point of
23 production is calculated using the actual costs of transportation, or the

1 reasonable costs of transportation as determined under this subsection,
 2 whichever is lower. The [THE] department shall determine the reasonable costs of
 3 transportation, using the fair market value of like transportation, the fair market value
 4 of equally efficient and available alternative modes of transportation, or other
 5 reasonable methods. Transportation costs fixed by tariff rates that have been
 6 adjudicated as just and reasonable by [PROPERLY ON FILE WITH] the
 7 Regulatory Commission of Alaska or another [OTHER] regulatory agency and
 8 transportation costs in an arm's length transaction paid by parties not affiliated
 9 with an owner of the method of transportation shall be considered prima facie
 10 reasonable.

11 (c) In determining the gross value of oil under [(a) OF] this section, the
 12 department may not allow as reasonable costs of transportation

13 (1) the amount of loss of or damage to, or of expense incurred due to
 14 the loss of or damage to, a vessel used to transport oil if the loss, damage, or expense
 15 is incurred in connection with a catastrophic oil discharge from the vessel into the
 16 marine or inland waters of the state;

17 (2) the incremental costs of transportation of the oil that are
 18 attributable to temporary use of or chartered or substituted service provided by another
 19 vessel due to the loss of or damage to a vessel regularly used to transport oil and that
 20 are incurred in connection with a catastrophic oil discharge into the marine or inland
 21 waters of the state; and

22 (3) the costs incurred to charter, contract, or hire vessels and
 23 equipment used to contain or clean up a catastrophic oil discharge."
 24

25 Renumber the following bill sections accordingly.

26
 27 Page 43, line 27:

28 Delete "42 - 48, and 51"

29 Insert "43 - 49, and 52"

30
 31 Page 45, line 9:

1 Delete "42 - 48, and 51"

2 Insert "43 - 49, and 52"

3

4 Page 45, line 10:

5 Delete "sec. 56"

6 Insert "sec. 57"