

AMENDMENT #2 by Sen. McGuire

OFFERED IN THE SENATE

TO: HB 3001(efd fld)

1 Page 1, line 3, following "Act":

2 Insert "; and providing for an effective date"

3

4 Page 1, following line 10:

5 Insert new bill sections to read:

6 **** Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
7 read:

8 **CONTINGENT EFFECT OF LICENSE APPROVAL.** The provisions of sec. 1 of this
9 Act are contingent on

10 (1) the written offer of the parties identified jointly as the licensee in sec. 1 of
11 this Act to the parties having control of significant North Slope natural gas reserves that are
12 proposing an alternative natural gas pipeline project to participate in good faith negotiations
13 as described in this paragraph, and, if the offer is accepted, the negotiation in good faith as
14 described in the paragraph; the negotiations shall seek to secure common agreement to
15 eliminate proposals for competing natural gas pipeline projects, as that phrase is defined in
16 AS 43.90.440, for North Slope natural gas reserves; it is material to the state's interest in the
17 negotiations that an agreement between the parties have the result of foregoing the need for
18 issuance of a license under AS 43.90, including the appropriation of licensee reimbursements
19 as authorized by AS 43.90.110(a)(1); to implement this paragraph,

20 (A) negotiations shall be conducted among

21 (i) the commissioners of revenue and natural resources or their
22 respective representatives;

23 (ii) representatives of the parties identified jointly as the

1 licensee in sec. 1 of this Act; and

2 (iii) representatives of the parties having control of significant
3 North Slope natural gas reserves that are proposing an alternative natural gas
4 pipeline project;

5 (B) the parties identified in (A) of this paragraph may

6 (i) include in the negotiations representatives of other entities
7 whose presence may be useful to achieve the outcome described in this
8 paragraph, as these parties may mutually agree; and

9 (ii) agree to conduct the negotiations with or without use of the
10 services of a mediator, as the parties may themselves determine; if the parties
11 agree to use of the services of a mediator, the mediator shall be a person whose
12 identity is mutually agreeable to the parties; and

13 (C) negotiations undertaken under this section are not to be considered
14 meetings of a governmental body of a public entity of the state that are subject to the
15 requirements of AS 44.62.310 - 44.62.312; and

16 (2) the passage of a number of days set out in this paragraph following the
17 condition described in the corresponding subparagraph; when the condition described in this
18 paragraph has been met, the commissioners of natural resources and revenue shall issue the
19 license; under this paragraph, the commissioners may not issue the license before the effective
20 date of sec. 1 of this Act, and

21 (A) unless subject to the limitation set out in this subparagraph, shall
22 issue the license not sooner than 180 days after the date of final execution of the
23 common agreement among the parties that is substantially as described in (1) of this
24 section; however, if, under the terms of that agreement, the parties consent to forego
25 the need for issuance of a license under AS 43.90, then, notwithstanding any other
26 provision of law, the commissioners may not issue the license; or

27 (B) shall issue the license not sooner than 45 days after the earlier of
28 the date that

29 (i) the commissioners advise the governor that one or more of
30 the parties described in (1)(A)(iii) of this section have notified them, or either
31 of them, that the party or parties will not participate in the negotiations

1 described in this section; or

2 (ii) the parties described in (1)(A)(ii) and (1)(A)(iii) of this
3 section certify to the governor that they have mutually agreed that negotiations
4 to secure the common agreement as described in (1) of this section to eliminate
5 proposals for competing natural gas pipeline projects for North Slope natural
6 gas reserves cannot be obtained.

7 * **Sec. 3.** Section 2 of this Act takes effect immediately under AS 01.10.070(c)."