

CS FOR SENATE BILL NO. 104(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered: 4/20/07

Referred: Finance

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the Alaska Gasline Inducement Act; establishing the Alaska Gasline**
2 **Inducement Act matching contribution fund; providing for an Alaska Gasline**
3 **Inducement Act coordinator; making conforming amendments; and providing for an**
4 **effective date."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** AS 43 is amended by adding a new chapter to read:

7 **Chapter 90. Alaska Gasline Inducement Act.**

8 **Article 1. Inducement to Construction of a Natural Gas Pipeline in this State.**

9 **Sec. 43.90.010. Purpose.** The purpose of this chapter is to encourage
10 expedited construction of a natural gas pipeline that

11 (1) facilitates commercialization of North Slope gas resources in the
12 state;

13 (2) promotes exploration and development of oil and gas resources on
14 the North Slope in the state;

1 (3) maximizes benefits to the people of this state of development of oil
2 and gas resources in this state; and

3 (4) encourages state oil and gas lessees and other persons to commit
4 natural gas from the North Slope of this state to a gas pipeline system for
5 transportation to markets in this state or elsewhere.

6 **Article 2. Alaska Gasline Inducement Act License.**

7 **Sec. 43.90.100. Gas project.** (a) The commissioners may award an Alaska
8 Gasline Inducement Act license as provided in this chapter. The person awarded a
9 license under this chapter is entitled to the inducement set out in AS 43.90.110.

10 (b) Nothing in this section precludes a person's pursuing a gas pipeline
11 independently from this chapter.

12 **Sec. 43.90.110. Natural gas pipeline project construction inducement.**

13 Subject to the limitations of this chapter, a license issued under this chapter entitles the
14 licensee or its designated affiliate to receive

15 (1) subject to appropriation, state matching contributions in an amount
16 not to exceed \$500,000,000, paid in total to the licensee over a five-year period; the
17 payment period may be extended by the commissioners under an amendment or
18 modification of the project plan under AS 43.90.210; the payment period commences
19 on the date of the issuance of the license; payments under this paragraph shall be made
20 according to the following:

21 (A) on or before the close of the first binding open season, the
22 state shall match the licensee's qualified expenditures at the level specified in
23 the license; however, the state's matching contribution may not be more than
24 50 percent of the qualified expenditures incurred before the close of the first
25 binding open season;

26 (B) after the close of the first binding open season, the state
27 shall match the licensee's qualified expenditures at a level specified in the
28 license; however, the state's matching contribution may not be greater than 80
29 percent of the qualified expenditures incurred after the close of the first
30 binding open season;

31 (C) qualified expenditures are costs that are incurred after the

1 license is issued under this chapter by the licensee or the licensee's designated
 2 affiliate, and are directly and reasonably related to obtaining a certificate or
 3 amended certificate of public convenience and necessity from the Federal
 4 Energy Regulatory Commission or the Regulatory Commission of Alaska, as
 5 appropriate, for development of the project; in this subparagraph, "qualified
 6 expenditures" does not include overhead costs, litigation costs, assets or work
 7 product predating the issuance of the license, or civil or criminal penalties or
 8 fines; and

9 (2) the benefit of an Alaska Gasline Inducement Act coordinator who
 10 has the authority prescribed in AS 43.90.250.

11 **Sec. 43.90.120. Request for applications for the license.** (a) The
 12 commissioners shall commence a public process to request applications for a license
 13 under this chapter as soon as practicable after the effective date of this chapter.

14 (b) The commissioners may use independent contractors to assist in
 15 developing the provisions for the application for a license and in evaluating
 16 applications received under this chapter.

17 (c) The provisions of AS 36.30 do not apply to requests for applications under
 18 this chapter.

19 **Sec. 43.90.130. Application requirements.** An application for a license must
 20 be consistent with the terms of the request for applications under AS 43.90.120 and
 21 must

22 (1) be filed by the deadline established by the commissioners in the
 23 request for applications;

24 (2) provide a detailed description of a proposed natural gas pipeline
 25 project for transporting natural gas from the North Slope of this state to market,
 26 including

27 (A) the route proposed for the natural gas pipeline;

28 (B) receipt and delivery points and the size and design capacity
 29 of the proposed natural gas pipeline at the proposed receipt and delivery points,
 30 except that this information is not required for in-state delivery points unless
 31 the application proposes specific in-state delivery points;

1 (C) an analysis demonstrating the project's economic and
2 technical viability as required in the request for applications;

3 (D) an economically and technically viable work plan, timeline,
4 and associated budget for developing the proposed project, including how the
5 applicant will perform field work, environmental studies, design, and
6 engineering, how the applicant will implement practices for controlling carbon
7 emissions from natural gas systems as established by the United States
8 Environmental Protection Agency, and how the applicant will comply with all
9 applicable state, federal, and international regulatory requirements that affect
10 the proposed project; the work plan must address the following:

11 (i) if the proposed project involves a pipeline into or
12 through Canada, a description in detail of the applicant's plan to obtain
13 necessary rights-of-way and authorizations in Canada; a description of
14 the transportation services to be provided and a description of rate-
15 making methodologies the applicant will propose to the regulatory
16 agencies; and an estimate of rates and charges for all services;

17 (ii) if the proposed project involves marine
18 transportation of liquefied natural gas, a description of the marine
19 transportation services to be provided and a description of proposed
20 rate-making methodologies; an estimate of rates and charges for all
21 services by third parties; a detailed description of all access and tariff
22 terms the applicant would propose for liquefaction services or, if third
23 parties would perform liquefaction services, identify the third parties
24 and the terms they would offer; a complete description of the proposed
25 ownership, control, and cost of liquefied natural gas tankers, the
26 management of shipping services, liquefied natural gas export,
27 destination, re-gasification facilities, and pipeline facilities needed for
28 transport to market destinations, and the entity or entities that would be
29 required to obtain necessary export permits or a certificate of public
30 convenience and necessity from the Federal Energy Regulatory
31 Commission for the transportation of liquefied natural gas in interstate

1 commerce if United States markets are proposed; and all rights-of-way
2 or authorizations required from a foreign country;

3 (3) commit that if the proposed project is within the jurisdiction of the
4 Federal Energy Regulatory Commission, the applicant will

5 (A) conclude, by a date certain that is not later than 36 months
6 after the date the license is issued, a binding open season that is consistent with
7 the requirements of Subpart B of 18 C.F.R. Part 157 (Open Seasons for Alaska
8 Natural Gas Transportation Projects) and 18 C.F.R. 157.30 - 157.39;

9 (B) apply for Federal Energy Regulatory Commission approval
10 to use the pre-filing procedures set out in 18 C.F.R. 157.21 by a date certain,
11 and use those procedures before filing an application for a certificate or
12 amended certificate of public convenience and necessity; and

13 (C) apply for a Federal Energy Regulatory Commission
14 certificate or amended certificate of public convenience and necessity to
15 authorize the construction and operation of the proposed project described in
16 this section by a date certain;

17 (4) commit that if the proposed project is within the jurisdiction of the
18 Regulatory Commission of Alaska, the applicant will

19 (A) conclude, by a date certain that is not later than 36 months
20 after the date the license is issued, a binding open season that is consistent with
21 the requirements of AS 42.06; and

22 (B) apply for a certificate of public convenience and necessity
23 to authorize the construction and operation of the proposed project by a date
24 certain;

25 (5) commit that after the first binding open season, the applicant will
26 assess the market demand for additional pipeline capacity at least every two years
27 through public nonbinding solicitations or similar means;

28 (6) commit to expand the proposed project in reasonable engineering
29 increments and on commercially reasonable terms that encourage exploration and
30 development of gas resources in this state; in this paragraph,

31 (A) "commercially reasonable terms" means that, subject to the

1 provisions of (7) of this section, revenue from transportation contracts covers
2 the cost of the expansion, including increased fuel costs and a reasonable
3 return on capital as authorized by the Federal Energy Regulatory Commission
4 or the Regulatory Commission of Alaska, as applicable, and there is no
5 impairment of the proposed project's ability to recover the costs of existing
6 facilities;

7 (B) "reasonable engineering increments" means the amount of
8 additional capacity that could be added by compression or a pipe addition
9 using a compressor size or pipe size, as applicable, that is substantially similar
10 to the original compressor size and pipe size;

11 (7) commit that the applicant

12 (A) will propose and support the recovery of mainline capacity
13 expansion costs, including fuel costs, from all mainline system users through
14 rolled-in rates as provided in (B) and (C) of this paragraph or through a
15 combination of incremental and rolled-in rates as provided in (D) of this
16 paragraph;

17 (B) will propose and support the recovery of mainline capacity
18 expansion costs, including fuel costs, from all mainline system users through
19 rolled-in rates; an applicant is obligated under this subparagraph only if the
20 rolled-in rates would increase the rates

21 (i) not described in (ii) of this subparagraph by not more
22 than 15 percent above the initial maximum recourse rates for capacity
23 acquired before commercial operations commence; in this sub-
24 subparagraph, "initial maximum recourse rates" means the highest cost-
25 based rates for any specific transportation service set by the Federal
26 Energy Regulatory Commission, the Regulatory Commission of
27 Alaska, or the National Energy Board of Canada, as appropriate, when
28 the pipeline commences commercial operations;

29 (ii) by not more than 15 percent above the negotiated
30 rate for pipeline capacity on the date of commencement of commercial
31 operations where the holder of the capacity is not an affiliate of the

1 owner of the pipeline project; for the purposes of this sub-
2 subparagraph, "negotiated rate" means the rate in a transportation
3 service agreement that provides for a rate that varies from the otherwise
4 applicable cost-based rate, or recourse rate, set out in a gas pipeline's
5 tariff approved by the Federal Energy Regulatory Commission, the
6 Regulatory Commission of Alaska, or the National Energy Board of
7 Canada, as appropriate; or

8 (iii) for capacity acquired in an expansion after
9 commercial operations commence, to a level that is not more than 115
10 percent of the volume-weighted average of all rates collected by the
11 project owner for pipeline capacity on the date commercial operations
12 commence;

13 (C) will, if recovery of mainline capacity expansion costs,
14 including fuel costs, through rolled-in rate treatment would increase the rates
15 for capacity described in (B) of this paragraph, propose and support the partial
16 roll-in of mainline expansion costs, including fuel costs, to the extent that rates
17 acquired before commercial operations commence do not exceed the levels
18 described in (B) of this paragraph;

19 (D) may, for the recovery of mainline capacity expansion costs,
20 including fuel costs, that, under rolled-in rate treatment, would result in rates
21 that exceed the level in (B) of this paragraph, propose and support the recovery
22 of those costs through any combination of incremental and rolled-in rates;

23 (E) agrees not to enter into a negotiated rate agreement that
24 would preclude the applicant from collecting from any shipper, including a
25 shipper with a negotiated rate agreement, the rolled-in rates that are required to
26 be proposed and supported by the applicant under (B) of this paragraph or the
27 partial rolled-in rates that are required to be proposed and supported by the
28 applicant under (C) of this paragraph;

29 (8) state how the applicant proposes to deal with a North Slope gas
30 treatment plant, regardless of whether that plant is part of the applicant's proposal, and,
31 to the extent that that plant will be owned entirely or in part by the applicant, commit

1 to seek certificate authority from the Federal Energy Regulatory Commission if the
2 proposed project is engaged in interstate commerce, or from the Regulatory
3 Commission of Alaska if the project is not engaged in interstate commerce, for a
4 North Slope gas treatment plant that will be owned entirely or in part by the applicant
5 and, for rate-making purposes, commit to value previously used assets that are part of
6 the gas treatment plant at net book value; describe the gas treatment plant, including
7 its design, engineering, construction, ownership, and plan of operation; the identity of
8 any third party that will participate in the ownership or operation of the gas treatment
9 plant; and the means by which the applicant will work to minimize the effect of the
10 costs of the facility on the tariff;

11 (9) propose a percentage and total dollar amount for the state's
12 matching contribution under AS 43.90.110(1)(A) and (B) to be specified in the
13 license;

14 (10) commit that the applicant will propose and support rates for the
15 proposed project and for any North Slope gas treatment plant that the applicant may
16 own, in whole or in part, that are based on a capital structure for rate-making that
17 consists of not less than 70 percent debt;

18 (11) describe the means by which the applicant plans to manage
19 overruns in costs of the proposed project, if any, and the measures that the applicant
20 proposes to mitigate the effects of any overruns;

21 (12) commit to provide for a minimum of five delivery points of
22 natural gas in this state;

23 (13) commit to offer firm transportation service to delivery points in
24 this state as part of the tariff regardless of whether any shippers bid successfully in a
25 binding open season for firm transportation service to delivery points in this state, and
26 commit to offer distance-sensitive rates to delivery points in this state consistent with
27 18 C.F.R. 157.34(c)(8);

28 (14) commit to establish a local headquarters in this state for the
29 proposed project;

30 (15) to the extent permitted by law, commit to

31 (A) hire qualified residents from throughout the state for

1 management, engineering, construction, operations, maintenance, and other
2 positions on the proposed project;

3 (B) contract with businesses located in the state;

4 (C) establish hiring facilities or use existing hiring facilities in
5 the state; and

6 (D) use, as far as is practicable, the job centers and associated
7 services operated by the Department of Labor and Workforce Development
8 and an Internet-based labor exchange system operated by the state;

9 (16) waive the right to appeal the issuance of a license to another
10 applicant or to appeal the determination under AS 43.90.180(b) that no application
11 merits the issuance of a license;

12 (17) commit to negotiate, before construction, a project labor
13 agreement; in this paragraph, "project labor agreement" means a comprehensive
14 collective bargaining agreement between the licensee or its agent and the appropriate
15 labor representatives to ensure expedited construction with labor stability for the
16 project by qualified residents of the state;

17 (18) commit that the state matching contribution received by a licensee
18 may not be included in the applicant's rate base, and shall be used as a credit against
19 licensee's cost of service;

20 (19) provide a detailed description of the applicant, the affiliates of the
21 applicant, all partners, members of a joint venture, and other entities participating with
22 the applicant in the application and the project proposed by the applicant, and persons
23 the applicant intends to involve in the construction and operation of the proposed
24 project; the description must include the nature of the affiliation for each person, the
25 commitments by the person to the applicant, and other information relevant to the
26 commissioners' evaluation of the readiness and ability of the applicant to complete the
27 project presented in the application;

28 (20) otherwise demonstrate that the applicant is ready and able to
29 perform the activities specified in the application, including the detailed work plan,
30 timeline, and associated budget.

31 **Sec. 43.90.140. Initial application review; additional information requests;**

1 **complete applications.** (a) The commissioners shall review each application
2 submitted under AS 43.90.120 to determine whether it is consistent with the terms of
3 the request for applications and meets the requirements of AS 43.90.130. The
4 commissioners shall reject any application that does not meet those terms and
5 requirements.

6 (b) To evaluate an application not rejected under (a) of this section, the
7 commissioners may request from an applicant additional information relating to the
8 application.

9 (c) If, within the time specified by the commissioners, an applicant fails to
10 provide the additional information requested under (b) of this section, or submits
11 additional information that is not responsive, the application will be rejected.

12 (d) For an application not rejected under (a) or (c) of this section, the
13 commissioners shall make a determination that the application, including any
14 requested additional information, is complete.

15 **Sec. 43.90.150. Proprietary information and trade secrets.** (a) At the
16 request of the applicant, information submitted by the licensee that the applicant
17 identifies and demonstrates is proprietary or is a trade secret is confidential and not
18 subject to public disclosure under AS 40.25, unless the applicant is granted a license
19 under this chapter. After a license is awarded, all information submitted by the
20 licensee and retained under this chapter shall be made public.

21 (b) If the commissioners determine that the information submitted by the
22 applicant is not proprietary or a trade secret, the commissioners shall notify the
23 applicant and return the information on request of the applicant.

24 (c) An applicant that challenges the award of a license or the process for
25 making the award shall be considered to have consented to the disclosure of all the
26 information submitted under this chapter by the applicant making the challenge,
27 including information held confidential under (a) of this section.

28 (d) In this section, "proprietary" means that the information is treated by the
29 applicant as confidential and the public disclosure of that information would adversely
30 affect the competitive position of the applicant or materially diminish the commercial
31 value of the information to the applicant.

1 **Sec. 43.90.160. Notice, review, and comment.** (a) The commissioners shall
2 publish notice and provide a 60-day period for public review and comment on all
3 applications determined complete under AS 43.90.140.

4 (b) Applications received under this chapter are not subject to public
5 disclosure under AS 40.25 until the commissioners publish notice under this section.
6 However, information that the commissioners have determined is confidential under
7 AS 43.90.150 may not be made public even after the notice is published under (a) of
8 this section, except as otherwise provided by AS 43.90.150. If information is held
9 confidential under AS 43.90.150, the applicant shall provide a summary of the
10 confidential information that is satisfactory to the commissioners, and the
11 commissioners shall make the summary of the information available to the public.

12 (c) Information provided by an applicant to the commissioners under this
13 chapter, including information determined by the commissioners to be confidential
14 under AS 43.90.150, shall be disclosed to the legislative auditor, the fiscal analyst who
15 serves as head of the legislative finance division, agents and contractors of the
16 legislative auditor and the fiscal analyst, and members of the legislature, on request
17 and after the individual making the request signs a confidentiality agreement prepared
18 by the commissioners.

19 **Sec. 43.90.170. Application evaluation and ranking.** (a) The commissioners
20 shall evaluate all applications determined to be complete under AS 43.90.140,
21 consider public comments received under AS 43.90.160(a), and rank each application
22 according to the net present value of the anticipated cash flow to the state from the
23 applicant's project proposal using the factors in (b) of this section and weighted by the
24 project's likelihood of success based on the commissioners' assessment of the factors
25 listed in (c) of this section.

26 (b) When evaluating the net present value of anticipated cash flow to the state
27 from the applicant's project proposal, the commissioners shall use an undiscounted
28 value and, at a minimum, discount rates of two, six, and eight percent, and consider

29 (1) how quickly the applicant proposes to begin construction of the
30 proposed project and how quickly the project will commence commercial operation;

31 (2) the net back value of the gas determined by the destination market

1 value of the gas and estimated transportation and treatment costs;

2 (3) the ability of the applicant to prevent or reduce project cost
3 overruns that would increase the tariff;

4 (4) the initial design capacity of the applicant's project and the extent
5 to which the design can accommodate low-cost expansion; and

6 (5) other factors found by the commissioners to be relevant to the
7 evaluation of the net present value of the anticipated cash flow to the state.

8 (c) When evaluating the project's likelihood of success, the commissioners
9 shall consider

10 (1) the reasonableness, specificity, and feasibility of the applicant's
11 work plan, timeline, and budget required to be submitted under AS 43.90.130,
12 including the applicant's plan to manage cost overruns, insulate shippers from the
13 effect of cost overruns, and encourage shippers to participate in the first binding open
14 season;

15 (2) the financial resources of the applicant;

16 (3) the ability of the applicant to comply with the proposed
17 performance schedule;

18 (4) the applicant's organization, experience, accounting and operational
19 controls, technical skills or the ability to obtain them, necessary equipment or the
20 ability to obtain the necessary equipment;

21 (5) the applicant's record of

22 (A) performance on projects not licensed under this chapter;

23 (B) integrity and good business ethics; and

24 (6) other evidence and factors found by the commissioners to be
25 relevant to the evaluation of the project's likelihood of success.

26 (d) In this section, "net present value" means the discounted value of a future
27 stream of cash flow.

28 **Sec. 43.90.180. Notice to the legislature of intent to issue license; denial of**
29 **license.** (a) If, after consideration of public comments received under AS 43.90.160
30 and evaluation of complete applications under AS 43.90.170, the commissioners
31 determine that an application proposes a project that would sufficiently maximize the

1 benefits to the people of this state and merits issuance of a license under this chapter,
2 the commissioners shall

3 (1) issue a determination, with written findings addressing the basis for
4 the determination; the determination becomes a final agency action in accordance with
5 AS 43.90.190;

6 (2) publish notice of intent to issue a license under this chapter with
7 written findings addressing the basis for the determination; and

8 (3) forward the notice under (2) of this subsection, along with the
9 findings, supporting documentation, and determination under (1) of this subsection, to
10 the presiding officer of each house of the legislature for action as provided in
11 AS 43.90.190.

12 (b) If, after evaluation of complete applications under AS 43.90.170, the
13 commissioners determine that no application sufficiently maximizes the benefits to the
14 people of this state and merits issuance of a license under this chapter, the
15 commissioners shall issue a written finding that addresses the basis for that
16 determination.

17 (c) The commissioners' determination under (b) of this section is a final
18 agency action.

19 **Sec. 43.90.190. Legislative approval; issuance of license.** (a) After the
20 presiding officer of each house of the legislature receives a determination from the
21 commissioners under AS 43.90.180, the rules committee of each house of the
22 legislature shall introduce a bill in the committee's respective chamber that provides
23 for the approval of the license proposed to be issued by the commissioners.

24 (b) If a bill approving the issuance of the license passes the legislature within
25 60 days after the last date a presiding officer receives a determination by the
26 commissioners under AS 43.90.180, the commissioners shall issue the license as soon
27 as practicable after the effective date of the Act approving the issuance of the license.

28 (c) Notwithstanding a legislative rule that prohibits the carryover of a bill after
29 the end of a special session or after the end of a regular session of a legislature, a bill
30 introduced under (a) of this section that is not passed or not withdrawn, defeated,
31 vetoed, or indefinitely postponed shall be carried over to any subsequent regular or

1 special legislative session convened during the 60-day period described in (b) of this
 2 section in the same reading or status it was in at the time of adjournment. However, a
 3 bill introduced under (a) of this section may not be carried over to the first regular
 4 session of a legislature.

5 (d) If the legislature fails to approve the issuance of the license, the
 6 commissioners

7 (1) may not issue the license that the legislature failed to approve; and

8 (2) may request new applications for a license under AS 43.90.120.

9 **Sec. 43.90.200. Certification by regulatory authority and project sanction.**

10 (a) A licensee that is awarded a certificate of public convenience and necessity for the
 11 project by the Federal Energy Regulatory Commission if the project is engaged in
 12 interstate commerce, or the Regulatory Commission of Alaska if the project is not
 13 engaged in interstate commerce, shall accept the certificate when all rights of
 14 administrative appeal relating to the certificate have expired.

15 (b) If the licensee has credit support sufficient to finance construction of the
 16 project through ownership of rights to produce and market gas resources, firm
 17 transportation commitments, or government financing, the licensee shall sanction the
 18 project within one year after the effective date of the certificate of public convenience
 19 and necessity issued by the Federal Energy Regulatory Commission or the Regulatory
 20 Commission of Alaska, as applicable.

21 (c) If the licensee does not have credit support sufficient to finance
 22 construction of the project through ownership of rights to produce and market gas
 23 resources, firm transportation commitments, or government financing, the licensee
 24 shall sanction the project within five years after the effective date of the certificate of
 25 public convenience and necessity issued by the Federal Energy Regulatory
 26 Commission or the Regulatory Commission of Alaska, as applicable.

27 (d) If the licensee fails to sanction the project timely as required under this
 28 section, the licensee shall, upon request by the state,

29 (1) seek approval from the Federal Energy Regulatory Commission or
 30 Regulatory Commission of Alaska, as appropriate, to abandon and transfer the
 31 certificate to the state or the state's designee; and

1 (2) assign to the state's designee all engineering designs, contracts,
2 permits, and other data related to the project that are acquired by the licensee as of the
3 date of the abandonment or transfer.

4 (e) The transfer of any certificate or material as a result of failure to comply
5 with (a) or (b) of this section is at no cost to the state or the state's designee. A transfer
6 under (c) of this section is at the licensee's net cost.

7 (f) For purposes of this section, the effective date of the certificate of public
8 convenience and necessity issued by the Federal Energy Regulatory Commission or
9 the Regulatory Commission of Alaska is the date when all rights of administrative
10 appeal relating to the certificate have expired.

11 **Sec. 43.90.210. Amendment of or modification to the project plan.** Subject
12 to the approval of the commissioners, a licensee may amend or modify its project plan
13 if the amendments or modifications improve the net present value of the project to the
14 state, are necessary because of an order issued by the Alaska Oil and Gas
15 Conservation Commission, or are necessary as a result of changed circumstances
16 outside the licensee's control and not reasonably foreseeable before the license was
17 issued. An amendment or modification approved under this section must be consistent
18 with the requirements of AS 43.90.130 and, except for an amendment or modification
19 required because of an order issued by the Alaska Oil and Gas Conservation
20 Commission, may not diminish the net present value of the project to the state or the
21 project's likelihood of success.

22 **Sec. 43.90.220. Records, reports, conditions, and audit requirements.** (a) A
23 licensee shall maintain complete and accurate records of all expenditures and
24 commitments of state money received under this chapter, including receipts and
25 records showing the payment or cost of purchased items and services, the names and
26 addresses of the sellers and service providers, and the dates of service or delivery.

27 (b) Upon reasonable notice, the commissioners may audit the records, books,
28 and files of the entity receiving the state money or making the expenditures and
29 commitments of money received from the state under this chapter.

30 (c) The commissioners may do the following with respect to information
31 relating to the project: conduct hearings or other investigative inquiries; compel the

1 attendance of witnesses and production of documents; and require the licensee to
2 furnish information in paper copy or electronic format.

3 (d) After a license has been issued and until commencement of commercial
4 operations of a natural gas pipeline, the licensee shall allow the commissioners to have
5 a representative present at all meetings of the licensee's governing body and equity
6 holders that relate to the project, to receive all relevant notices and information sent to
7 the governing body and equity holders, to receive the same access to information
8 about the licensee as the governing body members and equity owners receive, and to
9 receive additional relevant reports or information from the licensee that the
10 commissioners reasonably request.

11 (e) A licensee shall maintain the records and reports required under this
12 section for seven years from the date the licensee receives state money under this
13 chapter.

14 **Sec. 43.90.230. License violations; damages.** (a) A licensee is in violation of
15 the license if the commissioners determine that the licensee has

16 (1) committed state money received under this chapter for purposes
17 other than those set out in AS 43.90.110(1);

18 (2) substantially departed from the specifications set out in the
19 application without state approval of a project plan amendment or modification under
20 AS 43.90.210;

21 (3) violated any provision of this chapter or any other provision of
22 state or federal law material to the license; or

23 (4) otherwise violated a material term of the license.

24 (b) The commissioners shall provide written notice to the licensee identifying
25 a license violation. The commissioners and the licensee have 90 days after the date the
26 notice is issued to resolve the violation informally.

27 (c) The commissioners may suspend disbursement of state matching
28 contributions to the licensee beginning on the date that the notice of violation issued
29 under (b) of this section is sent to the licensee. The commissioners may resume
30 disbursement on the date that the commissioners determine that the violation is cured.

31 (d) If the commissioners and the licensee are unable to resolve the violation

1 within the time specified in (b) of this section, the commissioners shall, after providing
 2 the licensee with notice and opportunity to be heard, make a written determination
 3 regarding the violation. The written determination made under this subsection is the
 4 final agency action for purposes of appeal to the court under the Alaska Rules of
 5 Appellate Procedure.

6 (e) If the determination issued under (d) of this section finds an unresolved
 7 violation, the commissioners may impose one or more of the following remedies:

8 (1) discontinuation of state matching contributions under this chapter;

9 (2) recoupment of state money that the licensee has received under this
 10 chapter to date, with interest, regardless of whether the licensee has expended or
 11 committed that money;

12 (3) license revocation;

13 (4) assignment to the state or the state's designee of all engineering
 14 designs, contracts, permits, and other data related to the project that are acquired by
 15 the licensee during the term of the license; and

16 (5) any other remedies provided by law or in equity.

17 **Sec. 43.90.240. Abandonment of project.** (a) If the commissioners and the
 18 licensee agree that the project is uneconomic and should be abandoned, inducement
 19 provided for in AS 43.90.110 terminates, and, except for requirements imposed on the
 20 licensee under (f) of this section and AS 43.90.220, the state and the licensee no
 21 longer have any obligations under this chapter with respect to the license.

22 (b) If the commissioners and the licensee do not agree that the project is
 23 uneconomic, the disagreement shall be settled by arbitration administered by the
 24 American Arbitration Association under the substantive and procedural laws of this
 25 state, and judgment on the award rendered by the arbitrators may be entered in
 26 superior court in the state. In the event of arbitration, each party shall select an
 27 arbitrator from the American Arbitration Association's National Roster, and the two
 28 arbitrators shall appoint a third arbitrator from the American Arbitration Association's
 29 National Roster who shall serve as the chair of the three-member arbitration panel. If
 30 the arbitration panel determines that the project is

31 (1) uneconomic, the state and the licensee no longer have any

1 obligations under this chapter with respect to the license, except for requirements
2 imposed on the licensee under (f) of this section and AS 43.90.220;

3 (2) not uneconomic, the obligations of the licensee and the state
4 continue as provided under this chapter and the license.

5 (c) The arbitration panel in (b) of this section shall make a determination that
6 the project is uneconomic only if the panel finds that the party claiming the project is
7 uneconomic has proven by a preponderance of the evidence that the

8 (1) project does not have credit support sufficient to finance
9 construction of the project through firm transportation commitments, government
10 assistance, or other sources of financing; and

11 (2) predicted costs of transportation at a 100 percent load factor, when
12 deducted from predicted gas sales revenue using publicly available predictions of
13 future gas prices, would result in a producer rate of return that is below the rate
14 typically accepted by a prudent oil and gas exploration and production company for
15 incremental upstream investment that is required to produce and deliver gas to the
16 project.

17 (d) In an appeal of a final determination rendered by the arbitrators under (b)
18 of this section, the person making the appeal has the burden of proof.

19 (e) If the state makes a payment to the licensee under AS 43.90.440, the
20 license is considered abandoned, and the state and the licensee no longer have any
21 obligations under this chapter with respect to the license, except that the licensee must
22 comply with the

23 (1) requirements imposed on the licensee under AS 43.90.220
24 regarding state money received by the licensee before the license was considered
25 abandoned; and

26 (2) requirements of AS 43.90.440.

27 (f) If the licensee and the state agree or an arbitration panel makes a final
28 determination that the project is uneconomic, the licensee shall assign to the state or
29 the state's designee all engineering designs, contracts, permits, and other data related
30 to the project that are acquired by the licensee during the term of the license upon
31 reimbursement by the state of the net amount of expenditures incurred and paid by the

1 licensee that are qualified expenditures for the purposes of AS 43.90.110.

2 **Sec. 43.90.250. Alaska Gasline Inducement Act coordinator.** (a) There is
3 created in the Office of the Governor the position of Alaska Gasline Inducement Act
4 coordinator. Administrative support for the position shall be provided by the Office of
5 the Governor. The position shall continue until one year after commencement of
6 commercial operations of the project.

7 (b) The governor shall appoint a person to the position of Alaska Gasline
8 Inducement Act coordinator. The individual serving as the Alaska Gasline Inducement
9 Act coordinator may be removed from the position at the discretion of the governor.

10 **Sec. 43.90.260. Expedited review and action by state agencies.** (a) All
11 reviews conducted and actions taken by a state agency relating to a project shall be
12 expedited in a manner consistent with the completion of the necessary approvals in
13 accordance with this chapter.

14 (b) Notwithstanding any contrary provision of law, a state agency may not
15 include in any project certificate, right-of-way, permit, or other authorization issued to
16 the licensee any term or condition that is not required by law if the Alaska Gasline
17 Inducement Act coordinator determines that the term or condition would prevent or
18 impair in any significant respect the expeditious construction and operation or
19 expansion of the project.

20 (c) Unless required by law, a state agency may not add to, amend, or abrogate
21 any certificate, right-of-way, permit, or other authorization issued to a licensee if the
22 Alaska Gasline Inducement Act coordinator determines that the action would prevent
23 or impair in any significant respect the expeditious construction, operation, or
24 expansion of the project.

25 **Article 3. Resource Inducement.**

26 **Sec. 43.90.300. Qualification for resource inducement.** (a) Notwithstanding
27 any contrary provision of law, a lessee or other person that demonstrates to the
28 commissioners' satisfaction that the person has committed to acquire firm
29 transportation capacity in the first binding open season of the project is qualified to
30 receive the resource inducement set out in AS 43.90.310 and 43.90.320 for the gas
31 shipped in firm transportation capacity acquired in the first binding open season of the

1 project. The inducement in AS 43.90.310 is contractual.

2 (b) A gas producer receiving a voucher under AS 43.90.330 is qualified to
3 receive the resource inducement in AS 43.90.310 and 43.90.320 for the gas shipped in
4 the firm transportation capacity described in the voucher for the period described in
5 AS 43.90.330.

6 **Sec. 43.90.310. Royalty inducement.** (a) Before the beginning of the first
7 binding open season to be conducted by the licensee, the commissioner of natural
8 resources shall adopt regulations to establish a method to determine the monthly value
9 of the state's royalty share of gas production and establish terms under which the state
10 will exercise its right to switch between taking its royalty in value or in kind for gas
11 committed for firm transportation in the first binding open season of the project or
12 shipped in the firm transportation capacity described in a voucher received by the gas
13 producer under AS 43.90.330. The regulations must

14 (1) minimize retroactive adjustments to the monthly value of the state's
15 royalty share of gas production;

16 (2) contain provisions to establish a fair market value for each
17 component of the state's royalty gas that are based on pricing data from reliable and
18 widely available industry trade publications and use appropriate adjustments to reflect

19 (A) deductions for actual and reasonable transportation costs
20 for the state's royalty gas, including a fair share of the costs associated with
21 unused capacity commitments on pipelines from the North Slope of this state
22 to the first destination market with reasonable market liquidity;

23 (B) location differentials between the destination markets
24 where North Slope gas could be sold;

25 (C) reasonable and actual costs for gas processing; and

26 (D) deductions permitted under the 1980 Royalty Settlement
27 Agreement for Prudhoe Bay gas; and

28 (3) establish terms under which the state will exercise its authority to
29 switch between taking its royalty gas in value and in kind to ensure that the state's
30 actions do not unreasonably

31 (A) cause the lessee or other person to bear disproportionate

1 transportation costs with respect to the state's royalty gas;

2 (B) interfere with the lessee's or other person's long-term
3 marketing of its production.

4 (b) If a lessee or other person qualified for resource inducement under
5 AS 43.90.300 agrees under (c) of this section, the lessee or other person is entitled to
6 elect

7 (1) to calculate its gas royalty obligation under the regulations adopted
8 under (a) of this section for natural gas transported on a firm contract negotiated
9 during the project's first binding open season or under the methodology set out in the
10 existing leases from which the gas is produced, and

11 (A) upon the request of the lessee, the commissioner of natural
12 resources shall contractually amend the existing lease to reflect the election
13 under this paragraph and incorporate into the lease, the terms of the relevant
14 regulations as fixed contract terms; and

15 (B) the election under this subsection remains in effect until
16 new regulations are adopted as a result of a review under (d) of this section, at
17 which time, a lessee or other person qualified under AS 43.90.300 may change
18 its election under this paragraph; upon the request of the lessee, the
19 commissioner of natural resources shall contractually amend the lease to
20 incorporate as fixed contract terms the relevant revised regulatory provisions;

21 (2) to enter a contract with the state that amends the existing lease
22 terms by extending the required period of notice that the state must provide before
23 exercising the state's right to switch between taking its royalty in value or in kind for
24 gas committed for firm transportation in the first binding open season of the project.

25 (c) To claim the inducement under (b) of this section, a lessee or other
26 qualified person shall agree, on an application form provided by the Department of
27 Natural Resources, that the lessee or person, and the lessee's or person's affiliates,
28 successors, assigns, and agents, will not protest or appeal a filing by the licensee to
29 roll in expansion costs of the mainline up to a level that is required in
30 AS 43.90.130(7). The agreement not to protest may not preclude the lessee or other
31 qualified person, or the lessee's or other person's affiliates, successors, assigns, and

1 agents from protesting a filing to roll in mainline expansion costs that licensee is not
2 required to propose and support under AS 43.90.130(7).

3 (d) The commissioner of natural resources shall provide for review of the
4 regulations adopted under (a) of this section at least every two years after the
5 commencement of commercial operations of the project to determine whether the
6 regulations continue to meet the requirements of (a)(1) of this section under current
7 conditions, and shall amend the regulations when the requirements are not being met.

8 (e) No provision of this chapter precludes the election set out in (b) of this
9 section, nor may the commissioner of natural resources assert any provision of any
10 existing lease or unit agreement as precluding the elections set out in (b) of this
11 section.

12 **Sec. 43.90.320. Gas production tax exemption.** (a) If a person qualified for
13 resource inducement under AS 43.90.300 agrees under (c) of this section, the person is
14 entitled to an annual exemption from the state's gas production tax in an amount equal
15 to the difference between the amount of the person's gas production tax obligation
16 calculated under the gas production tax in effect during that tax year and the amount of
17 the person's gas production tax obligation calculated under the gas production tax in
18 effect at the start of the first binding open season held under this chapter. If the
19 difference is less than zero, the gas production tax exemption is zero.

20 (b) The exemption under this section may be applied only within 10 years
21 immediately following commencement of commercial operations of the project and
22 only applied to production taxes that are levied on North Slope gas shipped through
23 firm transportation capacity the person acquired during the first binding open season
24 or shipped in the firm transportation capacity described in a voucher received by the
25 gas producer under AS 43.90.330.

26 (c) The person claiming the exemption under this section shall agree that the
27 person, and the person's affiliates, successors, assigns, and agents, will not protest or
28 appeal a filing by the licensee to roll in mainline expansion costs up to the level that
29 the licensee is required to propose and support under AS 43.90.130(7). The agreement
30 required under this subsection may not preclude the person, or the person's affiliates,
31 successors, assigns, and agents, from protesting a filing to roll in mainline expansion

1 costs that the licensee is not required to propose and support under AS 43.90.130(7).

2 **Sec. 43.90.330. Inducement vouchers.** (a) A person that acquires firm
3 transportation capacity in the first binding open season of the project, that does not
4 hold an oil and gas lease on the North Slope, and that is not an affiliate of a person that
5 holds an oil and gas lease on the North Slope, may apply to the commissioners for a
6 voucher under this section. A voucher issued by the commissioners must describe the
7 firm transportation capacity in the project to which the voucher is applicable.

8 (b) A voucher issued by the commissioners under this section entitles the
9 holder of the voucher to the resource inducements in AS 43.90.310 and 43.90.320 for
10 gas shipped in the firm transportation capacity acquired by the person applying for the
11 voucher during the first binding open season of the project and described in the
12 voucher. The voucher may be transferred to a gas producer that has a binding
13 obligation to sell gas to the person transferring the voucher under a gas purchase
14 agreement.

15 (c) A gas producer holding a voucher may claim the resource inducements for
16 gas shipped through the firm transportation capacity described in the voucher and only
17 on gas that is produced and delivered to the purchaser on the North Slope. A gas
18 producer may claim the resource inducements under this subsection until the earlier of
19 the termination of the binding gas purchase agreement or the expiration of the
20 inducements by operation of law.

21 **Article 4. Miscellaneous Provisions.**

22 **Sec. 43.90.400. Alaska Gasline Inducement Act matching contribution**
23 **fund; disbursements; audits.** (a) There is established in the general fund an Alaska
24 Gasline Inducement Act matching contribution fund. The fund consists of money
25 appropriated to it by the legislature for disbursement to pay the state's matching
26 contributions under AS 43.90.110. Appropriations to the fund do not lapse under
27 AS 37.25.010, but remain in the fund for future disbursements.

28 (b) The Department of Revenue shall manage the fund, and may invest money
29 in the fund so as to yield competitive market rates as provided in AS 37.10.071.
30 Interest received on money in the fund shall be accounted for separately and may be
31 appropriated to the fund annually.

1 (c) The commissioners shall adopt regulations that provide for application to
2 receive matching contributions for qualified expenditures as provided under
3 AS 43.90.110, and that provide for periodic audits of the use of money disbursed as
4 matching contributions under this chapter.

5 (d) Within 10 days after the convening of each regular session of the
6 legislature, the commissioners shall submit to the legislature a report that lists all the
7 disbursements from the fund in the preceding year with a written justification of each
8 disbursement and the projected amount of money that will be needed for matching
9 contributions in each of the next three fiscal years.

10 **Sec. 43.90.410. Regulations.** The commissioners may jointly adopt
11 regulations for the purpose of implementing the provisions of this chapter. The
12 commissioner of revenue may change regulations adopted under existing authority in
13 this title as necessary to implement the provisions of this chapter. The commissioner
14 of natural resources may change regulations adopted under existing authority in AS 38
15 as necessary to implement the provisions of this chapter.

16 **Sec. 43.90.420. Statute of limitations.** A person may not bring a judicial
17 action challenging the constitutionality of this chapter or a license issued under this
18 chapter unless the action is commenced in a court of the state of competent
19 jurisdiction within 90 days after the date that a license was issued.

20 **Sec. 43.90.430. Interest.** When a payment due to the state under this chapter
21 becomes delinquent, the payment bears interest in a calendar quarter at the annual rate
22 of five percentage points above the annual rate charged member banks for advances by
23 the 12th Federal Reserve District as of the first day of that calendar quarter, or at the
24 annual rate of 11 percent, whichever is greater, compounded quarterly as of the last
25 day of that quarter.

26 **Sec. 43.90.440. Licensed project assurances.** (a) Except as otherwise
27 provided in this chapter, the state grants a licensee assurances that the licensee has
28 exclusive enjoyment of the inducements provided under this chapter before the
29 commencement of commercial operation of the project. If, before the commencement
30 of commercial operation of the project, the state extends to another person preferential
31 royalty or tax treatment or grant of state money for the purpose of facilitating the

1 construction of a competing natural gas pipeline project in this state, and if the
2 licensee is in compliance with the requirements of the license and with the
3 requirements of state and federal statutes and regulations relevant to the project, the
4 licensee is entitled to payment from the state of an amount equal to three times the
5 total amount of the expenditures incurred and paid by the licensee that are qualified
6 expenditures for the purposes of AS 43.90.110 that the licensee incurred in developing
7 the licensee's project before the date that the state first extended preferential treatment
8 to another person. The payment to the licensee under this subsection is subject to
9 appropriation. Upon payment by the state of the amount owed under this section, the
10 licensee shall, at no cost to the state, assign to the state or the state's designee all
11 engineering designs, contracts, permits, and other data related to the project that are
12 acquired by the licensee during the term of the license.

13 (b) In this section,

14 (1) "competing natural gas pipeline project" means a project designed
15 to accommodate throughput of more than 500,000,000 cubic feet a day of North Slope
16 gas to market;

17 (2) "preferential royalty or tax treatment" does not include

18 (A) the state's exercise of its right to resolve disputes involving
19 royalties and taxes;

20 (B) the state's exercise of its right to modify royalties as
21 authorized by law in effect on the effective date of this section; or

22 (C) the benefits of a large project permit coordinator authorized
23 by a law in effect on the effective date of this section.

24 **Sec. 43.90.450. Assignments.** (a) A licensee may transfer all or part of the
25 license, including the rights and obligations arising under the license, if, after
26 publishing notice of the proposed transfer, providing notice to the presiding officer of
27 each house of the legislature, and providing a period of not less than 30 days for public
28 review and comment,

29 (1) the transfer is approved in writing in advance by the
30 commissioners; and

31 (2) the transfer does not increase or diminish the obligations created by

1 the license or diminish the likelihood of success of the project or the net present value
2 of the license to the state.

3 (b) Notwithstanding the commissioners' approval of a transfer of all or part of
4 a license under (a) of this section, the transferor of the license remains subject to the
5 requirements of AS 43.90.220 regarding all state money received by the licensee
6 before the effective date of the transfer.

7 (c) A person may transfer that person's rights to the royalty inducement under
8 AS 43.90.310 and the gas production tax exemption under AS 43.90.320 only in
9 connection with a sale or merger that results in transfer of all the person's assets in the
10 North Slope of this state, including the firm transportation capacity contracts in the
11 project.

12 (d) Except for the transfer of a voucher to a producer under AS 43.90.330(b),
13 a person receiving a voucher under AS 43.90.330 based on the person's acquisition of
14 firm transportation capacity in the first binding open season of the project may transfer
15 the voucher only if the transfer is in connection with the permanent assignment by the
16 person of 100 percent of the firm transportation capacity acquired in the first binding
17 open season of the project.

18 **Sec. 43.90.460. Conflicting laws.** Nothing in this chapter shall be construed to
19 repeal or abrogate the administrative, regulatory, or statutory procedures and functions
20 of state and federal law governing the development and oversight of a project.

21 **Sec. 43.90.470. State pipeline employment development.** The commissioner
22 of labor and workforce development shall develop a job training program that will
23 provide training for Alaskans in gas pipeline project management, construction,
24 operations, maintenance, and other gas pipeline-related positions.

25 **Article 5. General Provisions.**

26 **Sec. 43.90.900. Definitions.** In this chapter, unless the context otherwise
27 requires,

28 (1) "affiliate" means another person that controls, is controlled by, or is
29 under common control with a person; "affiliate" includes a division that operates as a
30 functional unit;

31 (2) "Alaska Gasline Inducement Act coordinator" means the person

1 appointed under AS 43.90.250;

2 (3) "commencement of commercial operations" means the first flow of
3 gas in the project that generates revenue to the owners;

4 (4) "commissioners" means the commissioner of revenue and the
5 commissioner of natural resources, acting jointly;

6 (5) "control" means the possession of ownership interest or authority
7 sufficient to, directly or indirectly, and whether acting alone or in conjunction with
8 others, direct or cause the direction of the management or policies of a company, and
9 is rebuttably presumed if the voting interest held is 10 percent or more;

10 (6) "equity holder" means the

11 (A) stockholders of a corporation;

12 (B) members of a limited liability company;

13 (C) partners of a partnership;

14 (D) joint venturers of a joint venture;

15 (E) members of a governmental authority and similar persons;

16 or

17 (F) holders of any other entity or person;

18 (7) "gas processing" means post-production treatment of gas to extract
19 natural gas liquids;

20 (8) "governing body" means a corporation's board of directors, a
21 limited liability company's managing members, a partnership's general partners, a joint
22 venturer's joint venturers, a governmental authority's board or council members, and
23 similar entities;

24 (9) "lease" means an oil and gas, or gas, lease issued by this state;

25 (10) "lessee" means a person that holds a working interest in an oil and
26 gas, or gas, lease issued by this state;

27 (11) "license" means a license issued under this chapter;

28 (12) "licensee" means the holder of a license issued under this chapter
29 and all affiliates, successors, assigns, and agents of the holder;

30 (13) "North Slope" means the area of Alaska north of 68 degrees North
31 latitude;

1 (14) "project" means a natural gas pipeline project authorized under a
2 license issued under this chapter;

3 (15) "recourse rates" means cost-based rates with a minimum and
4 maximum range that are approved by the Federal Energy Regulatory Commission, the
5 Regulatory Commission of Alaska, or the National Energy Board of Canada, as
6 appropriate, and set out in the pipeline's tariff; "recourse rates" includes only those
7 rates that the pipeline must make available to all shippers;

8 (16) "sanction" means financial commitments to go forward with the
9 project as evidenced by entering into financial commitments of at least
10 \$1,000,000,000 with third parties;

11 (17) "under common control with" has the meaning given "control" in
12 this section;

13 (18) "unit agreement" means an agreement executed by the working
14 interest owners and royalty owners creating the unit.

15 **Sec. 43.90.990. Short title.** This chapter may be cited as the Alaska Gasline
16 Inducement Act.

17 * **Sec. 2.** AS 36.30.850(b) is amended by adding a new paragraph to read:

18 (45) contracts for an arbitration panel to determine whether a project is
19 uneconomic under AS 43.90.240, and contracts for the development of application
20 provisions for licensure and for the evaluation of those applications under AS 43.90.

21 * **Sec. 3.** AS 39.25.110 is amended by adding a new paragraph to read:

22 (41) the Alaska Gasline Inducement Act coordinator appointed under
23 AS 43.90.250.

24 * **Sec. 4.** AS 40.25.120(a) is amended to read:

25 (a) Every person has a right to inspect a public record in the state, including
26 public records in recorders' offices, except

27 (1) records of vital statistics and adoption proceedings, which shall be
28 treated in the manner required by AS 18.50;

29 (2) records pertaining to juveniles unless disclosure is authorized by
30 law;

31 (3) medical and related public health records;

1 (4) records required to be kept confidential by a federal law or
2 regulation or by state law;

3 (5) to the extent the records are required to be kept confidential under
4 20 U.S.C. 1232g and the regulations adopted under 20 U.S.C. 1232g in order to secure
5 or retain federal assistance;

6 (6) records or information compiled for law enforcement purposes, but
7 only to the extent that the production of the law enforcement records or information

8 (A) could reasonably be expected to interfere with enforcement
9 proceedings;

10 (B) would deprive a person of a right to a fair trial or an
11 impartial adjudication;

12 (C) could reasonably be expected to constitute an unwarranted
13 invasion of the personal privacy of a suspect, defendant, victim, or witness;

14 (D) could reasonably be expected to disclose the identity of a
15 confidential source;

16 (E) would disclose confidential techniques and procedures for
17 law enforcement investigations or prosecutions;

18 (F) would disclose guidelines for law enforcement
19 investigations or prosecutions if the disclosure could reasonably be expected to
20 risk circumvention of the law; or

21 (G) could reasonably be expected to endanger the life or
22 physical safety of an individual;

23 (7) names, addresses, and other information identifying a person as a
24 participant in the Alaska Higher Education Savings Trust under AS 14.40.802 or the
25 advance college tuition savings program under AS 14.40.803 - 14.40.817;

26 (8) public records containing information that would disclose or might
27 lead to the disclosure of a component in the process used to execute or adopt an
28 electronic signature if the disclosure would or might cause the electronic signature to
29 cease being under the sole control of the person using it;

30 (9) reports submitted under AS 05.25.030 concerning certain
31 collisions, accidents, or other casualties involving boats;

1 (10) records or information pertaining to a plan, program, or
 2 procedures for establishing, maintaining, or restoring security in the state, or to a
 3 detailed description or evaluation of systems, facilities, or infrastructure in the state,
 4 but only to the extent that the production of the records or information

5 (A) could reasonably be expected to interfere with the
 6 implementation or enforcement of the security plan, program, or procedures;

7 (B) would disclose confidential guidelines for investigations or
 8 enforcement and the disclosure could reasonably be expected to risk
 9 circumvention of the law; or

10 (C) could reasonably be expected to endanger the life or
 11 physical safety of an individual or to present a real and substantial risk to the
 12 public health and welfare;

13 (11) the written notification regarding a proposed regulation provided
 14 under AS 24.20.105 to the Department of Law and the affected state agency and
 15 communications between the Legislative Affairs Agency, the Department of Law, and
 16 the affected state agency under AS 24.20.105;

17 **(12) records that are**

18 **(A) proprietary or a trade secret in accordance with**
 19 **AS 43.90.150;**

20 **(B) applications that are received under AS 43.90 until**
 21 **notice is published under AS 43.90.160.**

22 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
 23 read:

24 **FIRST REQUEST FOR APPLICATIONS FOR THE LICENSE.** It is the intent of the
 25 legislature that the first request for applications for the license by the commissioners under
 26 AS 43.90.120 as enacted in sec. 1 of this Act be issued within 90 days after the effective date
 27 of this Act.

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

30 **EXPEDITED CONSIDERATION OF COURT CASES.** It is the intent of the
 31 legislature that the courts of the state, when considering a case related to the development and

1 construction of a natural gas pipeline under this Act or to the commitment of a shipper to
2 acquire firm transportation capacity during the first binding open season for a project
3 developed under this Act, expedite the resolution of the case by giving the case priority over
4 all other civil cases to the extent permitted under the Alaska Rules of Court.

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

7 SEVERABILITY. Under AS 01.10.030, if any provision of this Act, or the application
8 of it to any person or circumstance, is held invalid, the remainder of this Act and the
9 application to other persons or circumstances are not affected.

10 * **Sec. 8.** This Act takes effect immediately under AS 01.10.070(c).