ALASKA STATE LEGISLATURE
SENATE JUDICIARY STANDING COMMITTEE
February 25, 2008
1:36 p.m.

MEMBERS PRESENT

Senator Hollis French, Chair
Senator Lesil McGuire
Senator Bill Wielechowski
Senator Gene Therriault

MEMBERS ABSENT

Senator Charlie Huggins, Vice Chair

COMMITTEE CALENDAR

Presentation: Tony Palmer, TransCanada Withdrawn Partners Liability Issues

PREVIOUS COMMITTEE ACTION

No previous action to record.

WITNESS REGISTER

TONY PALMER, Vice-President
Alaska Business Development
TransCanada Corporation
Calgary, Alberta, Canada
POSITION STATEMENT: Provided information and responded to questions related to withdrawn partners and liability issues.

WILLIAM MOGEL, Consultant
Legislative Budget and Audit
Saul Ewing Attorneys at Law
Washington D.C.
POSITION STATEMENT: Responded to questions related to withdrawn partners and liability issues.

ACTION NARRATIVE

CHAIR HOLLIS FRENCH called the Senate Judiciary Standing Committee meeting to order at 1:36:30 PM. Present at the call to order were Senators French, Therriault, and McGuire. Senator Wielechowski arrived shortly thereafter.

TransCanada Withdrawn Partners Liability Issues

CHAIR FRENCH announced the committee will hear from Tony Palmer with TransCanada and one other witness on the topic of liability that may or may not exist with respect to former partners in a previous gas pipeline proposal.

1:37:06 PM
TONY PALMER, Vice-President, Alaska Business Development, TransCanada Corporation, explained that about 30 years ago the ANNGTC (Alaska Northwest Natural Gas Transportation Company) partnership was formed to pursue the Alaska portion of a natural gas pipeline project. In 1976 Congress passed the Alaska Natural Gas Transportation Act (ANGTA) for the Alaska section of the project. It had nothing to do with the Canadian section.

MR. PALMER said that in November 2007 the two remaining ANNGTC partners, both of which are controlled by TransCanada, considered whether or not they could or should submit an application for the AGIA license. "We concluded that we would not do so due to the uncertainties from some historical contingent liabilities." He said he will explain that in the course of his presentation. He will also make it clear that ANNGTC made no application under AGIA and has played no role in the application that two other TransCanada entities did make under AGIA.

1:38:53 PM
CHAIR FRENCH added that the two remaining partners are United Alaska Fuels Corporation (UAFC) and TransCanada Pipelines USA and when the partnership document was executed, UAFC was owned by United Gas Pipeline Company (UGPC). He asked if that entity was part of the TransCanada family when the partnership was formed.

MR. PALMER said no, UGPC was an independent U.S. pipeline company called United Corporation. A subsidiary of Foothills Pipeline Ltd. purchased UAFC in the early 1990s.

MR. PALMER reiterated that ANNGTC was formed in 1970s to build the Alaska section of the pipeline. The 11 original partners comprised the bulk of the U.S. pipeline industry at the time. Through the 1980s and 1990s partners withdrew until just the two aforementioned TransCanada subsidiaries remained. Under the partnership agreement all rights to be treated as partners were forfeited when they withdrew. Section 15.9 of the partnership

agreement specifically states that the withdrawn partners have rights for certain contractual payments and no other rights. Pursuant to the Palin Administration's request, TransCanada supplied the partnership agreement and responded to specific questions.

CHAIR FRENCH asked what was happening in the gas business that caused the other partners to withdraw.

MR. PALMER summarized that the project was formulated and received approvals in the mid to late 1970s and completion was to be in the early 1980s. However, in the late 1970s a number of changes occurred in the natural gas business including changes in the supply/demand balance and in the price of natural gas. At that time both the U.S. and Canada went from a shortage of natural gas to a period of surplus. Despite the best efforts of the sponsors and governments on both sides of the border, the project was deferred. By 1981 it was clear that the project wouldn't proceed on schedule, but there would be delivery of "prebuild" gas from Western Canada. "In 1981 and 1982 we constructed—in Canada—the prebuild sections of this project … because the Alaska project was going to be deferred—at that point—for 7 years." As time passed more gas was found in the Lower 48 and Canada and gas prices dropped. Clearly in the short term the gas wasn't needed. Between 1981 and 1984 partners were withdrawing. "That is what was happening in the gas business and the result for this project was deferral. As we've seen today, that project has been deferred an additional 25 years."

1:43:57 PM
SENATOR WIELECHOWSKI joined the meeting.

SENATOR THERRIAULT noted that withdrawn partners forfeited rights to be treated as partners, but they were entitled to contractual rights. He asked if they obtained those contractual rights at the time that they withdrew.

MR. PALMER explained that Section 4.4.4 of the original partnership agreement gave partners specific contractual rights for repayment under certain circumstances. The thought was that a partner that withdrew would have an opportunity for repayment of the original capital contribution plus a return. The original partners contributed about $24 million each. The original cost of capital rate approved by FERC was 14 percent. Had the project proceeded in the early 1980s, the assets that were developed would have been used to develop the project. Those assets included engineering environmental and legal work to get

permits; a certificate from FERC; and rights of way. The project didn't go forward but the contractual right to payment was specific and in the original partnership agreement.

1:46:36 PM
MR. PALMER said the withdrawn partners are entitled to payment only in certain circumstances. First is when ANNGTC builds the pipeline, which it does not contemplate doing. Second is if payment would not cause undue hardship on the partnership.

1:47:28 PM
SENATOR WIELECHOWSKI asked if any of the withdrawn partners have indicated they are owed payment or if they have been asked to sign a waiver of rights.

MR. PALMER replied no withdrawn partner has filed or threatened to file a claim against the partnership. “We would not have expected one. This partnership has not constructed the pipeline.” Several years ago TransCanada tried to reconstitute the partnership with the withdrawn partners but that was not successful. “But they have never posed a claim to us in the 30 years of the partnership.”

CHAIR FRENCH read the final sentence in Section 4.4.4(i) that says, “This right of reimbursement shall be subordinate to the rights of any creditor of the Partnership.” He asked what it means from a business perspective to have debt that’s subordinate to someone else’s.

MR. PALMER said it means that not only must ANNGTC build the pipeline and not only must any payment not impose undue hardship on the partnership, but if there are creditors this right of reimbursement would stand behind that. In terms of prioritization, this claim would stand below any debt that was financed. Clearly you wouldn’t expect parties that might finance this project to agree to be behind such a potential claim from former equity holders since it’s risen to $9 billion. That is 24 million for each party compounded at 14 percent for 30 years. Clearly the original assets that were developed don’t have a value anywhere near that.

1:51:14 PM
SENATOR WIELECHOWSKI asked if dissolution documents have been filed and when the last partnership meeting took place.

MR. PALMER replied there have been no dissolution agreements filed and the last partnership meeting was held several years

ago. Other than the unsuccessful reconstitution effort by TransCanada subsidiaries in the early part of the decade, the partnership has been relatively inactive for several years.

CHAIR FRENCH noted that the last partner withdrew 14 years ago in 1994 leaving two partners that are wholly owned subsidiaries of TransCanada.

MR. PALMER clarified they're indirect subsidiaries of TransCanada. He continued to say that the remaining TransCanada partners in ANNGTC are not the AGIA applicants and they have neither current nor future duties to the withdrawn partners. Also, neither the two remaining TransCanada partners nor any other TransCanada entity owes any duty to the withdrawn partners. "We have no obligation to continue pursuing a project that was formulated some 30 years ago…where the last partner withdrew some 14 years ago." There is not a non–compete clause in that partnership agreement and no TransCanada entity is prohibited from pursuing a different project. When Congress passed ANGPA in 2004 that enabled other parties to pursue a project under a specific piece of legislation.

MR. PALMER said with regard to TransCanada's AGIA applicants, there are two separate entities to pursue the project in each country – Foothills Pipelines in Canada under the Northern Pipeline Act and TransCanada Alaska Company LLC in Alaska under ANGPA. "The co-applicants are not, nor have they ever been, partners in ANNGTC. They are completely separate legal entities." The AGIA application also does not contemplate the use of any assets owned by ANNGTC. So the original assets developed by that partnership have not and will not be used going forward.

CHAIR FRENCH asked him to expound upon what those assets are.

MR. PALMER replied they include the original FERC certificate, a federal right of way, coastal zone management permits, and extensive engineering and geotechnical work.

CHAIR FRENCH asked if the FERC certificate is the same type that will be pursued under a new pipeline proposal.

MR. PALMER replied the certificates are similar but not identical.

1:55:21 PM

SENATOR WIELECHOWSKI asked if the Canadian rights of way (ROW) belong to the partnership.

MR. PALMER said no; the structure in Canada is completely separate from the one in the United States. The legal entities are separate, the regulatory approvals are separate, and the pipelines were to physically interconnect at the border.

SENATOR WIELECHOWSKI asked if any information obtained through the ANNGTC partnership is being used to pursue an AGIA application.

MR. PALMER replied, "We have used none; we intend to use none."

MR. PALMER said to follow on the previous question he'd address the Canadian section of the line. He explained that Foothills Pipelines Ltd. was certificated under the Canadian Northern Pipeline Act to build the Canadian section of the pipeline. Foothills Pipelines Ltd. is a separate legal entity from ANNGTC. TransCanada owns 100 percent of Foothills today. "There are no withdrawn partner issues in Canada. There never were any withdrawn partner issues in Canada. Foothills has no potential future contingent liability and ANNGTC does not hold any authorizations under the Northern Pipeline Act or otherwise for any facilities in Canada. And vice versa Foothills holds no certificates in the U.S. under ANGTA."

MR. PALMER said that TransCanada Alaska Company LLC will deal with the Alaska side of the border for the application under AGIA. That entity has no liability to ANNGTC or to any of the withdrawn partners. The application contemplates that the capital expenditures and the scheduling will start from scratch.

> When ANNGTC looked in the fall as to whether or not it should pursue the project, it examined a contingent liability of potentially $9 billion growing at 14 percent a year versus the value of those assets, which were significantly diminished from what they had been 30 years ago when the project was going to proceed immediately. We also considered the cost to construct the Alaska component of the project. Those of you that have examined in detail our application would see the capital cost of constructing the Alaska portion of the project is in the order of $10 billion. We knew that ANNGTC could not compete with any third-party by incurring $10 billion to construct the project plus an additional 9 [$9 billion] and be competitive with any

> third party. That was impossible. We concluded that it was not viable to proceed.
>
> Also the…administration asked us a key question and we responded…earlier this year that we've put forward an additional safeguard. In the highly unlikely event that there's ever a claim comes home to TransCanada from any of these withdrawn partners and we have to pay money to those—and I hope we've described for you that we think that will never occur—but if it does we will not include it in the rates to the customers. We think that's the critical issue for shippers. We think that's the critical issue for the state that is clearly a tax collector and royalty collector. We've made that clearly and definitively in our response to a request from the state.

CHAIR FRENCH added that an independent attorney also looked at the issue and decided that the contingent liability couldn't be added to rate payers.

1:59:29 PM

MR. PALMER, turning to other issues, explained that last week ANNGTC withdrew the application it filed in 2004 under the state ROW Act. ANNGTC has held and paid for a federal ROW for 20 some years, but that will expire in 2010. The TransCanada Alaska Company LLC has no rights to that federal ROW and it wasn't used in its AGIA application. "TransCanada Alaska Company LLC intends to submit new applications according to our schedule in 2011 for both federal and state rights of way for the pipeline project proposed in our AGIA application."

MR. PALMER emphasized that ANNGTC believes there would be no merit to any claim that a TransCanada entity would be required to pay ANNGTC's contingent obligations to withdrawn partners if the pipeline project proposed in the AGIA application is placed in service. Since TransCanada entities have no liability, it necessarily follows that other parties involved in the project wouldn't either. "Our co-applicants have already unconditionally and unequivocally committed not to include in the project rates any amounts that any TransCanada entity may somehow in any unlikely case be required to pay as a result of those contingent claims." He reiterated that no claim has ever been made or even threatened by withdrawn partners.

MR. PALMER summarized the AGIA application by TransCanada Alaska Company LLC has nothing to do with ANNGTC, its long history, or

its contingent obligation to withdrawn partners. A claim has never been made or threatened by withdrawn partners. TransCanada has offered an additional safeguard by indicating that it commits to never including any potential ANNGTC liabilities in project tolls. "Although this matter has been debated somewhat in the press, we hope we have been fully responsive both to the administration and to this committee today."

2:02:12 PM
CHAIR FRENCH highlighted two areas where the public may be confused. One is the overlap in the corporate structure between former ANNGTC partners and current AGIA partners. Referring to a corporate flowchart he said it appears as though one of the AGIA partners is a wholly owned subsidiary of TransCanada Pipeline USA Ltd. and a former ANNGTC partner. On the other side of the corporate structure a former ANNGTC member is at the bottom of the corporate chart and an AGIA applicant is above it. To the layman it appears as though there's a corporate overlap even though they're clearly distinct legal entities from a business standpoint.

MR. PALMER responded as follows:

> Clearly as a business man, those are separate and distinct legal entities. And there are no obligations…firstly for the ANNGTC partners that are remaining in TransCanada's corporate structure to pursue this project. They have no obligation to the withdrawn partners to pursue the project. Many of those withdrawn partners withdrew some 25 years ago. As you described, the last non-TransCanada party withdrew 14 years ago. … They are no longer pursuing this project under ANNGTC. They are not precluded from competing for this project—could have made an AGIA application. In fact, some of the parent companies of the former partners at least considered making an application under AGIA. They had no non-compete obligations as did not the TransCanada ANNGTC remaining partners. So there is no obligation from TransCanada's entities that remain in ANNGTC to pursue that project. They have no obligations to the ANNGTC partners other than a contractual right to payment if ANNGTC completes the project. I've described to you why ANNGTC is not a viable entity and cannot proceed with it. So that firstly deals with the remaining TransCanada entities. If those entities are not precluded from pursuing a different project, then

surely the separate and distinct legal entities that we've put forward are not obliged and have no obligations to those original partners.

2:05:35 PM
SENATOR McGUIRE asked why the partnership wasn't dissolved.

MR. PALMER replied TransCanada will have to consider that circumstance in the future, but at present it's focused on pursuing the AGIA application. There isn't any urgency to dissolve the partnership, but the remaining two partners have concluded that ANNGTC can never viably advance a project. He understands why the question is posed but it doesn't affect the AGIA application or the project if it proceeds.

2:07:28 PM
CHAIR FRENCH pointed out that from a public perspective the two projects overlap. The former partnership was going to build a pipeline along the highway route to Canada and the current proposal is for different subsidiaries to build a pipeline along the same general route. He asked if it's a different project or if it's a different set of subsidiaries building the pipeline that makes it different.

MR. PALMER replied there are some similarities, but there are also clear distinctions between the project contemplated by ANNGTC 30 years ago versus the project today. They are separate legal entities operating under separate legislation. ANNGTC was pursuing a project under ANGTA while the current TransCanada applicant within Alaska is pursuing a project under ANGPA. Both projects are to build a pipeline along a similar route from Prudhoe Bay to the Alaska/Yukon border. The current project will connect at the border with Foothills Pipelines. Just as there was no commercial connection before, there will be no commercial connection under the AGIA application. Also it's been clearly stated that TransCanada owns 100 percent of ANNGTC and TransCanada Corporation owns 100 percent of TransCanada Alaska Company LLC so there are no withdrawn partnership issues because TransCanada is the only owner.

2:10:17 PM
CHAIR FRENCH asked about physical differences between the two projects such as pipe size and thruput.

MR. PALMER said the original project expected the volume to be 2.3 bcf/day and pipe diameters varied. Some were smaller and some were larger. At that time there were no restrictions on

diameter, volume or pressure. Today the pressure is clearly higher and hopefully the volume will be 4.5 bcf/day. The actual route hasn't been defined but it's expected to be a very similar.

CHAIR FRENCH asked if FERC certification happened before open season 30 years ago. He understands that now open season happens first.

2:12:04 PM
MR. PALMER explained that the gas business was very different 30 years ago and he doesn't recall that there was an open season. He believes that all the original pipelines that were partners were merchant pipelines, meaning that they bought gas and sold it to local distribution companies. They did not transport gas for third parties as is done exclusively today. The original partnership agreement indicates that almost all the parties intended to become shippers. Only TransCanada Alaska said only that it may become a shipper.

SENATOR McGUIRE asked if he knows of any legal opinions related to piercing the corporate veil and other issues he raised that might be helpful to the committee.

MR. PALMER said that any discussions that TransCanada has had with its attorneys are subject to privilege. The administration asked the same question and received the same answer.

2:14:12 PM
CHAIR FRENCH relayed that he asked legislative legal for a memorandum about piercing the corporate veil and that's in the packet. Copies are available to any interested reporter or member of the public, he added.

SENATOR WIELECHOWSKI asked if any of the withdrawn partners got back any of their original investment.

MR. PALMER replied they did not receive any refund of original capital contributions. Under Section 4.4.4 withdrawn partners received a contractual right to recover their original contributions plus a return under the aforementioned conditions. Exiting partners often leave behind any rights, but that wasn't the case here. "If the project was constructed by ANNGTC and the other conditions were met, they had an opportunity for recovery of their original contributions plus a return."

2:15:33 PM

SENATOR THERRIAULT asked if he agrees with the legal opinion that FERC wouldn't allow TransCanada to charge back through the tariff structure any of the potential $9 billion liability.

MR. PALMER replied that he read the legal opinion but since TransCanada has unequivocally stated that it wouldn't seek repayment he didn't give it extensive review.

SENATOR WIELECHOWSKI asked what work was done as a partnership to advance the project after the 11 original partners each contributed about $25 million.

MR. PALMER explained that the partnership was formulating applications to FERC, it was doing engineering work, it was doing environmental work, and it was doing field work. It was on a path to complete the project. The partnership did in fact obtain a FERC certificate and other permits. It did the normal work that a pipeline group – partnership as opposed to company – would do to advance and complete a project and be ready to move forward to construction. That's what the $250 some million was expended on. "But at the point where the project was going to proceed the marketplace changed." That changed marketplace didn't allow the project to get customers or go forward. The ultimate result was a failed project. By 1981 some of those original partners were withdrawing despite having spent $24 million just three years earlier.

2:19:25 PM
SENATOR THERRIAULT asked about the report to FERC about the escalating debt and if there's been a similar report every year.

MR. PALMER explained that each year through 2006 ANNGTC has filed FERC Form No. 2. It describes the contingent liability, calculates the number, adds the annual AFUDC, and theoretically puts forward an asset value. Clearly though, neither the asset nor the contingent liability exist. The final footnote in the FERC Form No. 2 refers to the key contingency on the liability. That is that ANNGTC is not required to make the filing because today it isn't a natural gas pipeline. Perhaps some of the confusion stems from ANNGTC having made those voluntarily filings, he said.

2:21:16 PM
WILLIAM MOGEL, Attorney, Saul Ewing Attorneys at Law, Washington D.C., explained that he was retained by the LB&A Committee to assist on legal matters arising from the AGIA process.

CHAIR FRENCH asked him to summarize his reasoning and the conclusions he came to in the 1/15/2008 memorandum with respect to payment allegations of the ANNGTC withdrawn partners.

MR. MOGEL explained that he was asked to look at the question as a FERC expert to answer whether or not FERC would permit TransCanada LLC and Foothills Pipelines Ltd. to recover, through the rates of their proposed AGIA pipeline, the approximately $9 billion in obligations to withdrawn partners. He concluded that FERC would not permit that for two primary reasons. First, the AGIA applicants for the Alaskan portion are different legal entities from the [ANNGTC] partnership. Second, the $250 million plus interest that was expended were not costs that would be used and useful to a new pipeline company. It's long been a hallmark of public utility regulation that to allow a company to recover a return on an asset, it must be both used and useful. This wouldn't be construed that way, he said.

2:24:12 PM
SENATOR WIELECHOWSKI asked if he's familiar with partnership law and if he's aware of the facts of the ANNGTC partnership. In particular he's referring to Section 4.4.4(i) and if he has an opinion on whether withdrawn partners would have a right to repayment if the pipeline proceeds.

MR. MOGEL replied he's generally familiar with partnership law and he has reviewed the partnership agreement that's been referred to today. He believes that under the language in the aforementioned section, the withdrawn partners would only have a right to repayment under the conditions Mr. Palmer described. That is if the partnership line became operational and if the repayment could be made without causing undue hardship. "That's the clear meaning of that language as far as I'm concerned."

2:25:35 PM
SENATOR WIELECHOWSKI asked if the withdrawn partners would have a right to repayment if TransCanada did build a line and it was operational.

MR. MOGEL replied, "If the partnership built the Alaskan portion of the pipeline it'd be my view that they would have a right to recover their investment plus interest. But not 'TransCanada,' it'd be the partnership as the legal entity."

SENATOR WIELECHOWSKI responded, "Even though TransCanada was an important partner to this partnership program and the plan is very similar if not identical to what had been discussed in this

agreement, it's your opinion that the…withdrawn partners – this partnership - would not have any right to receive compensation under 4.4.4 or any other provision of this contract."

MR. MOGEL explained that if the partnership was one of the AGIA applicants of TransCanada and it built the Alaska segment of the line, Section 4.4.4 gives withdrawn partners certain rights upon the happening of two conditions

SENATOR WIELECHOWSKI asked if he's saying that if one of the partners of the original partnership goes on its own to create a pipeline that is similar to the one contemplated in the partnership, they would not be entitled to any benefit under the contract in that scenario.

MR. MOGEL told him that he's raising a different issue. What he reviewed and spoke to in the memorandum was the specific language of the partnership agreement. "There may be other law that may be involved here as to what right if any a partner has to former partners. But that is not something I covered in my memorandum and it's not something I've looked at."

2:28:00 PM
SENATOR WIELECHOWSKI said he realizes it wasn't covered in the memorandum; he was just curious if he had an opinion.

MR. MOGEL replied his opinion is that it's a good question on a different issue.

SENATOR McGUIRE suggested the committee look at the issue of partnership law and specifically Sections 15.2-15.9 of the partnership agreement. Section 15.8 makes it clear the partnership continues to exist until there's an event of dissolution. It specifies that when new partners are added or when partners withdraw the partnership will continue. She suggested the committee ask what rights and obligations any partnership might have to a succeeding partnership. Intellectual property could be involved, for example.

SENATOR WIELECHOWSKI suggested that the committee might want answers to these questions. He understands that FERC may not allow the contingent liability to be added to the tariff and that's good, but if TransCanada has a potential $9 billion contingent liability that's a concern for everyone.

2:30:23 PM

CHAIR FRENCH summarized that Mr. Mogel gave two conclusions. First that there wouldn't be a liability and second that if there was a liability it wouldn't be added to the tariff. He asked him expand on the second conclusion.

MR. MOGEL explained that the information that was prepared in connection with the filing in the late 1970s with regard to route, capacity, pipeline, etcetera probably wouldn't be applicable in today's environment. If that same legal entity were to go before FERC to recover the original investment plus interest, he believes that FERC would say that the work is out of date and it's not used and useful in the proposed pipeline. Thus there is no opportunity for recovery or a return on the investment.

2:31:48 PM
CHAIR FRENCH asked what the basis is for that rule.

MR. MOGEL replied it's an old rule in utility law that a utility is only able to recover a return on an investment that is used and useful for the ratepayer. For example, if an Illinois natural gas utility purchased a golf course in California and then tried to recover the cost of the acquisition, it would have difficulty proving that the golf course is used and useful to the Illinois ratepayers.

CHAIR FRENCH summarized the reasoning, which is that even if several unlikely events happened and TransCanada and the AGIA partners found themselves saddled with the enormous liability, none of the expenditures would be used or useful in the construction of the current AGIA pipeline.

MR. MOGEL clarified that his conclusion would be that significantly all, rather than none, of the expenditures would not be used or useful.

CHAIR FRENCH asked Mr. Palmer if he'd like to address any of the issues Mr. Mogel raised.

2:34:01 PM
MR. PALMER restated that the TransCanada AGIA applicants are not and never have been partners in ANNGTC. "They are separate and distinct entities." TransCanada Alaska Co., LLC and Foothills Pipelines Ltd. never have been partners in ANNGTC and the ANNGTC partners do not plan to build the pipeline they originally contemplated. Since ANNGTC is not constructing the original project it does not have a liability to the withdrawn partners.

It follows that separate and distinct entities pursuing a separate and distinct project also would not have any liability.

SENATOR WIELECHOWSKI, referring to the list of partners on pages 1-2 of the partnership agreement, asked with which organization he was affiliated.

MR. PALMER explained that in 1978 TransCanada was not affiliated with any of the listed entities. However, in the early 1990s Foothills Pipelines Alaska Inc. purchased United Alaska Fuels Corporation, which is listed as a party on page 2, Section 1.6, of the 1978 ANNGTC partnership agreement. TransCanada Pipelines USA Ltd. joined the partnership in 1980. That is outlined in Amendment No. 3, page 3, Section 1.11.

At ease from 2:38:39 PM to 2:42:03 PM.

CHAIR FRENCH thanked Mr. Palmer and adjourned the meeting at 2:42:21 PM.