

HCR

37

COMMITTEE REPORT

HOUSE

6/3/81

FURTHER:

(11)

Date: 6/4/81

Mr. Speaker:

The Committee on RESOURCES has had HCR 37

Endorsing stipulations proposed as requirements for construction and operation of the Alaska Highway gas pipeline.

under consideration and reports it back as follows:

do pass do not pass

do pass with attached amendments(s)

replace with CS for HCR 37 same title

new title
and recommends _____

AND attaches a "Letter of Intent" New Fiscal Note

reports it back without recommendation

referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

between
Alaskan Northwest Natural Gas
and
The state of Alaska
April 1978

REG
JUN 13 1978
State of Alaska
Office of

As a result of the discussions between the Governor and representatives of Alaskan Northwest Natural Gas Transportation Company (the "Partnership"), the following understandings were reached pursuant to the certificate of public convenience and necessity issued by FERC.

1. The Partnership reaffirms its support before Congress, and agrees to support before FERC, gas pricing that (a) "adds on" conditioning costs, (b) defines "old-gas" as only that from the Prudhoe Bay pool, (c) allows rolled-in pricing for Prudhoe Bay gas, and (d) sets a minimum \$1.45 mcf price (escalated) for Prudhoe Bay "old" gas.
2. The Partnership will actively support the State's efforts to develop economically viable in-state industry based upon Prudhoe Bay natural gas and associated "liquid" fractions by all means reasonably available.
3. The Partnership will cooperate with the State to obtain a satisfactory tariff for the intrastate transportation of the State's royalty gas, and will file and support a volumetric tariff for this transportation.
4. The Partnership reaffirms its support for the State's right to withdraw its royalty gas (including gas liquids) as provided in Sec. 13(b) of the Alaska Natural Gas Transportation Act, and will support that right in any federal proceedings.
5. The Partnership agrees to provide pipeline taps where mutually agreed to provide access to the gas system as desired by the State and local communities as approved by the FERC.
6. The Partnership will pay the State's reasonable expenses to be incurred for financial and related analyses made to evaluate and/or implement the State's plan to participate in financing the project.
7. The Partnership agrees that Alaskan businesses, professional, social, ethnic and governmental organizations will to the maximum extent possible be given first preference for all substantial contracts made, supplies

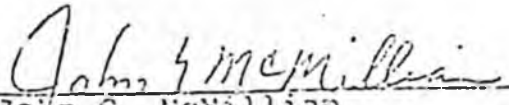
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1001 Noble Street, Suite 430
Fairbanks, Alaska 99701

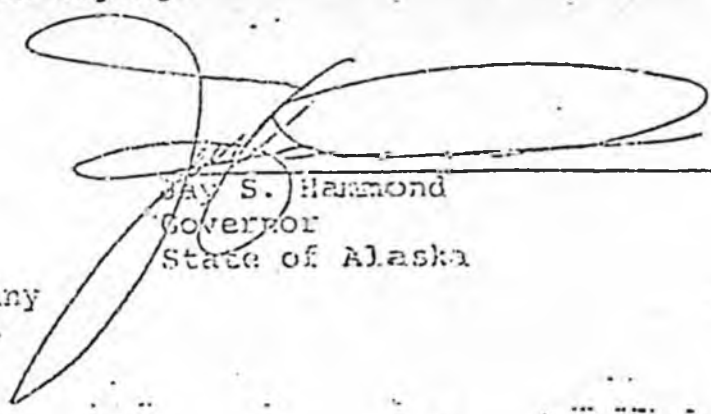
purchased and similar commercial activities the company requires. The company will provide sufficient notice time to Alaskan businesses of the company's needs, so that Alaskans may prepare and compete with non-Alaskan firms if they so desire, where such services are equivalent or comparable.

8. The Partnership reaffirms its dedication to comply fully with and actively pursue the State's local hire policy, and in so doing will ensure that all Alaskans have an opportunity to be hired for pipeline construction jobs, and that local community residents will be given first preference for the permanent pipeline operation and maintenance jobs by:
 - a. seeing that qualified Alaskan residents are hired and retained on a priority basis;
 - b. establishing or causing to be established training programs which will allow qualified Alaskans to update, upgrade and develop skills. This will include on-the-job training, institutional training, as well as cooperative arrangements with local union apprenticeship programs. CETA training efforts will not be duplicated;
 - c. using best efforts to commit all contractors to active development and participation with the State in a gasline manpower delivery system for coordinated statewide training, recruitment and referral, and;
 - d. cooperating with the State to develop and implement a nationwide public relations program to discourage workers from migrating to Alaska in search of employment where an adequate labor supply is available to meet pipeline employment needs.

9. The Partnership will cooperate with local municipalities and organizations to minimize the adverse socio-economic impacts of construction and operation of the pipeline by identifying expected changes in communities and preparing with communities along the gasline route, a plan for avoiding or minimizing adverse community changes which can be expected to be caused by the construction, operation and maintenance of the gasline. This plan will be concerned with at least the following elements of the social environment: housing, communications, transportation, physical and mental health, social service, public safety, recreation facilities, education, and availability of market services and goods.

10. The Partnership agrees to design a compressor station nearest Delta as far as practical to make waste heat available for grain drying.


John C. McMillian
Chairman
Alaskan Northwest Natural
Gas Transportation Company


Jay S. Hammond
Governor
State of Alaska

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STATE OF ALASKA
SOCIOECONOMIC STIPULATIONS
ALASKA NATURAL GAS TRANSPORTATION SYSTEM

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DRAFT: MARCH 13, 1981

SOCIOECONOMIC STIPULATIONS INDEX

DRAFT

4.0 DEFINITION

4.1 GENERAL

- 4.1.1 Applicability of Terms and Conditions
- 4.1.2 Standards for Public Hearings
- 4.1.3 Applicability of the "One-Window" Process
- 4.1.4 National Public Information Campaign
- 4.1.5 Training
- 4.1.6 Local Hire
- 4.1.7 Subsistence
- 4.1.8 Impact Information Centers
- 4.1.9 Citizens Advisory Council
- 4.1.10 Reimbursement for Highway Damages
- 4.1.11 Temporary Camps South of Fairbanks
- 4.1.12 Operations and Maintenance Personnel for ANGTG-Alaska
- 4.1.13 Construction, Operations and Administrative Center for ANGTG-Alaska
- 4.1.14 Reimbursement to the STATE

4.2 PROGRAM PLANS

- 4.2.1 Program Planning Process
- 4.2.2 Working Groups
- 4.2.3 Program Plan Elements
- 4.2.4 Program Plan Descriptions
- 4.2.5 Community and Regional Impact Program

4.3 PERFORMANCE AND COMPLIANCE

- 4.3.1 Performance Reports
- 4.3.2 Performance and Compliance Bond
- 4.3.3 Compliance
- 4.3.4 Penalty

4.4 SURVEILLANCE, INSPECTION, AND MONITORING

- 4.4.1 Audit of Data
- 4.4.2 State Agency Surveillance and Monitoring

4.5 ACCESS

- 4.5.1 Maximum Unrestricted Access
- 4.5.2 Alternative Routes
- 4.5.3 Alternative Crossings
- 4.5.4 Access to Waterbodies

4.0 DEFINITIONS

DRAFT

As used in this article of these Stipulations in this "Right-of-Way Lease for the Alaska Natural Gas Transportation System-Alaska Leg," the following terms have the following meanings:

- 4.0.1 "ADMINISTRATIVE EMPLOYEE" means an employee
- (A) whose primary duty consists of work directly related to management policies or supervising the general business operations of his employer;
 - (B) who customarily and regularly exercises discretion and independent judgment;
 - (C) who performs his work under only general supervision;
 - (D) who is paid on a salary or fee basis;
 - (E) who regularly and directly assists a proprietor or an exempt executive employee of the employer; and
 - (F) who performs work along specialized or technical lines requiring special training, experience or knowledge and does not devote more than 20 percent of his weekly hours to activities which are not described in the definitions of EXECUTIVE EMPLOYEE OR PROFESSIONAL EMPLOYEE.

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0117

4.0.2 "ALASKA NATURAL GAS TRANSPORTATION SYSTEM" means the total System described in the President's Decision and Report to Congress.

4.0.3 "ALASKA-OWNED BUSINESS" means a business over 50 percent of which is owned by a person or persons who are Alaskan residents, and whose principal place of business is located in Alaska.

4.0.4 "ANGTS" means the ALASKA NATURAL GAS TRANSPORTATION SYSTEM.

4.0.5 "CHRONICALLY UNEMPLOYED RESIDENT" means either:

- (A) a resident who has been unemployed for a minimum of 8 months, cumulatively, of the 12 months immediately preceding the time of application for determination of status, so long as the individual's income for the 12-month period does not exceed \$25,000; or
- (B) a resident who has exhausted benefits available under the Alaska Employment Security Act, A.S. 23.20, within the 12 months immediately preceding the time at which he makes the application for certification and is currently not eligible for unemployment benefits.

4.0.6 "CORRIDOR COMMUNITY" means one of the following communities: Northway, Tetlin, Tetlin Junction, Tok, Tanacross,

Dot Lake, Eagle, Healy Lake, Dry Creek, Delta Junction, Delta, Salcha, North Pole, Fairbanks, Minto, Manley, Livengood, Rampart, Stevens Village, Alatna, Allakaket, Evansville-Bettles, Wiseman, Anaktuvak, Nuiqsuit, Kaktovik, and Barrow.

4.0.7 "CORRIDOR COMMUNITIES" means more than one CORRIDOR COMMUNITY.

4.0.8 "DELTA CLEARWATER REGION" means the area bounded by the Fairbanks North Star Borough to the north, points 50 miles south of the Alaska Highway to the south, Delta River to the west, and the Gerstle River to the east.

4.0.9 "ECONOMICALLY DISADVANTAGED RESIDENT" means a resident whose total household income for the 12 months immediately preceding the time of application for determination of status falls below 70 percent of the minimum set by the United States Bureau of Labor statistics "lower living standard income level" as adjusted for Alaska.

4.0.10 "EMPLOYMENT TARGET GROUP" means one of the groups, as determined by the STATE or an agency or agencies designated by the STATE, which groups consist of CHRONICALLY UNEMPLOYED RESIDENTS, ECONOMICALLY DISADVANTAGED RESIDENTS, and TRAINING QUALIFIED RESIDENTS.

4.0.11 "EMPLOYMENT TARGET GROUPS" means more than one EMPLOYMENT TARGET GROUP.

4.0.12 "EXECUTIVE EMPLOYEE" means an employee

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- (A) whose primary duty consists of the management of the enterprise in which he is employed or of a customarily recognized branch, department, or subdivision of the enterprise;
- (B) who customarily and regularly directs the work of two or more other employees;
- (C) who has the authority to hire or fire or effect any other change of status of other employees or whose suggestions or recommendations regarding these kinds of changes are given particular weight;
- (D) who customarily and regularly exercises discretionary authority;
- (E) who does not devote more than 20 percent of his weekly hours to activities which are not directly and closely related to the work described in the definitions of ADMINISTRATIVE EMPLOYEE OR PROFESSIONAL EMPLOYEE; and
- (F) who is compensated on a salary basis.

4.0.13 "FAIRBANKS-NORTH STAR REGION" means the area governed by the municipality recognized by the STATE as the Fairbanks-North Star Borough.

4.0.14 "IMPACT INFORMATION CENTER" means that place established through the joint efforts of the PIPELINE COORDINATOR, the Federal Inspector, and LESSEE as a place for collecting information in the local areas, for disseminating

information regarding the PROJECT, and for containing resource information relating to the PROJECT.

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4.0.15 "IMPACT INFORMATION CENTERS" means more than one IMPACT INFORMATION CENTER.

4.0.16 "IMPACT INFORMATION CENTER ADVISORY BOARD" means the group of citizens designated to advise each IMPACT INFORMATION CENTER and to communicate with the SOCIOECONOMIC ADVISORY COUNCIL.

4.0.17 "LESSEE" means Alaska Northwest Natural Gas Transportation Company, its successors and assigns.

4.0.18 "MAJOR MILESTONES" means those points in PROJECT development which require a major permit from either the STATE or federal government and those events identified in LESSEE's application to the Federal Energy Regulatory Commission for a Final Certificate of Public Convenience and Necessity as "major milestones."

4.0.19 "NORTH SLOPE REGION" means the area governed by the municipality recognized by the STATE as the North Slope Borough.

4.0.20 "ONE-WINDOW" means the process established through Administrative Order No. _____, by which the Office of the STATE PIPELINE COORDINATOR has been established as the single point of contact with the STATE for matters relating to ANGTS.

4.0.21 "OPEN TO THE PUBLIC" means that the reasonable public notice shall be given and that the public shall be allowed to attend. This does not prohibit the use of executive session to discuss the following excepted subjects:

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- (A) matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the LESSEE or the STATE;
- (B) subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion;
- (C) matters which by law, municipal charter, or ordinance are required to be confidential.

4.0.22 "PIPELINE COORDINATOR" means the authorized representative of the Commissioner of Natural Resources delegated the authority and responsibility of administering a portion or all of the provisions of this lease. In the event the Commissioner has not delegated authority or responsibility, the Commissioner shall act as the PIPELINE COORDINATOR.

4.0.23 "PIPELINE CORRIDOR" means the totality of the five corridor regions--the NORTH SLOPE REGION, the FAIRBANKS-NORTH STAR REGION, the TANANA YUKON/NORTH REGION, the DELTA-CLEARWATER REGION, and the UPPER TANANA REGION.

4.0.24 "PROFESSIONAL EMPLOYEE" means an employee, except for the classifications of registered nurse and licensed practical nurse,

(A) whose primary duty is

(i) to perform work requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study, as distinguished from a general academic education or from an apprenticeship or from training in the performance of routine mental, manual, or physical processes, or

(ii) to perform work that is original and creative in character in a recognized field of artistic endeavor (as opposed to work which can be produced by a person with general manual or intellectual ability and training), and the result of which depends primarily on the invention, imagination, or talent of the employee, or

(iii) to teach, tutor, instruct, or lecture in the activity of imparting knowledge, and who is employed and engaged in this activity as a teacher certified or recognized as such in a school or other educational establishment or institution; and

(B) whose work

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(i) requires the consistent exercise of discretion and judgment in its performance,

(ii) is predominately intellectual and varied in character (as opposed to routine mental, manual, mechanical, or physical work) and is of such character that the output produced or the result accomplished cannot be standardized on a time basis, and

(iii) is compensated on a salary of fee basis.

4.0.25 "PROJECT" means the Alaska Leg of the ALASKA NATURAL GAS TRANSPORTATION SYSTEM.

4.0.26 "QUALIFIED" means able, by education, training and experience or combinations of them, to perform the duties and satisfy the terms and conditions which are usual in the offered employment, provided that the duties, terms and conditions meet the reasonable standards of the industry as required of other employees performing the same type of work in the industry.

4.0.27 "RESIDENT" means a person who

(A) except for brief intervals, military service,

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attendance at an educational or training institution, or for absences for good cause, is physically present in the STATE for a period of at least 30 days immediately before the time his status is determined;

- (B) maintains a place of residence in the STATE;
- (C) has established residency for voting purposes in the STATE;
- (D) has not, within the period of required residency, claimed residency in another state; and
- (E) shows by all attending circumstances that his intent is to make Alaska his permanent residence.

4.0.28 "STATE" means the State of Alaska.

4.0.29 "SUBSISTENCE USES" means the customary and traditional uses in Alaska of wild, renewable resources for direct personal or family consumption as food, shelter, fuel, clothing, tools, or transportation, for the making and selling of handicraft articles out of nonedible by-products of fish and wildlife resources taken for personal or family consumption, and for the customary trade, barter or sharing for personal or family consumption; for the purposes of this paragraph, "family" means all persons related by blood, marriage, or adoption, and any person living within the household on a permanent basis.

4.0.30 "SOCIOECONOMIC ADVISORY COUNCIL" means the group of citizens designated to advise the PIPELINE COORDINATOR on socioeconomic matters relating to the PROJECT.

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4.0.31 "TANANA-YUKON/NORTH REGION" means the area bounded by the North Slope Borough to the north, 154° longitude on the west, and 148° longitude on the east, and the Tanana River to the south, excluding all of the Fairbanks North Star Borough.

4.0.32 "TRAINING-QUALIFIED RESIDENT" means a RESIDENT who, within the 12 months immediately preceding the time of application for determination of status, has successfully completed a program of job training, including on-the-job training or skills upgrade, designed to qualify the RESIDENT for employment on the project to be carried out on lands which are the subject of this lease.

4.0.33 "UPPER TANANA REGION" means the area bounded on the east by the Canadian border, the north by the Fairbanks Base Line, the west by the Gerstle River and a line north to the Fairbanks North Star Borough from the point the Gerstle River flows into the Tanana River, and to the south by points 50 miles south of the Alaska Highway.

4.0.34 "WORKING GROUP" means one of the groups established through the joint efforts of the STATE and LESSEE to

establish the 4.2 Program Plans.

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4.0.35 "WORKING GROUPS" means more than one WORKING GROUP.

4.1 GENERAL

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4.1.1 APPLICABILITY OF TERMS AND CONDITIONS LESSEE

shall comply with the conditions set forth in these stipulations and shall, when entering into any contract with a contractor for construction, operation, and/or maintenance of the pipeline, require as a condition of such a contract compliance with these conditions and any program plans, program goals, standards, mitigative measures, agreements and understandings arising from these stipulations as may relate to said contract.

4.1.1.1 LESSEE shall be liable for any breach of these terms and conditions by a contractor or subcontractor as if the breach were committed by the LESSEE.

4.1.2 STANDARDS FOR PUBLIC HEARINGS LESSEE shall cooperate with the local, State and Federal Governments in the development of standards for public hearings and public notice in connection with MAJOR MILESTONES for the pipeline project.

4.1.3 APPLICABILITY OF THE "ONE-WINDOW" PROCESS The LESSEE shall observe the "ONE-WINDOW" process requiring that all matters directly relating to STATE agency responsibilities be directed through the STATE PIPELINE COORDINATOR and all other actions between the LESSEE, local governments, agencies,

and interest groups within the STATE will be documented to the STATE PIPELINE COORDINATOR.

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4.1.4 NATIONAL PUBLIC INFORMATION CAMPAIGN The LESSEE shall cooperate with the STATE Department of Labor in developing and implementing a nationwide public information program to discourage the migration of individuals to Alaska in search of employment where an adequate labor force exists to meet project needs. The LESSEE shall make such a campaign a component of its standard public information activities and shall participate in the funding of the campaign.

4.1.5 TRAINING The LESSEE shall fund training programs required to meet Alaska Labor goal and standards developed pursuant to Subsection 4.2.4.1 of these stipulations, and may utilize existing programs, where appropriate, when coordinating these efforts.

4.1.6 LOCAL HIRE LESSEE will comply with all applicable Alaska statutes and regulations in effect at the time this permit becomes effective, as well as all amendments to them and subsequent enactments, providing for preferential hiring of Alaska RESIDENTS and non-discrimination against them.

4.1.6.1 To the extent not superceded by or inconsistent with subsequently enacted legislation or regulations, LESSEE will assure that work done by or for it on lands which are the

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subject of this lease shall, to the extent they are available, willing and QUALIFIED, be performed by Alaska RESIDENTS who, at the time of their application for initial employment by the LESSEE, its contractors or subcontractors, fall within one or more of the following EMPLOYMENT TARGET GROUPS, as determined by the STATE or an agency or agencies designated by the STATE: "CHRONICALLY UNEMPLOYED RESIDENT"; "ECONOMICALLY DISADVANTAGED RESIDENT"; and "TRAINING-QUALIFIED RESIDENT".

4.1.6.2 Neither the LESSEE, nor its contractors and subcontractors, shall hire non-residents when Alaska RESIDENTS falling within one or more of the EMPLOYMENT TARGET GROUPS are known to be available, willing, and QUALIFIED for employment.

4.1.6.3 The requirements of Section 4.1.6 do not apply to bona fide ADMINISTRATIVE, EXECUTIVE OR PROFESSIONAL EMPLOYEES of the LESSEE or its contractors or subcontractors.

4.1.6.4 In implementing the Local Hire requirements, LESSEE shall assure that it and its contractors and subcontractors include in all collective bargaining agreements with labor unions covering work to be performed on lands encompassed by this lease, provisions that will assure employment preference to Alaska RESIDENTS falling within any EMPLOYMENT TARGET GROUP.

4.1.6.5 The LESSEE shall assure that neither it nor

its contractors or subcontractors engage in discriminatory practices against Alaska RESIDENTS falling within any EMPLOYMENT TARGET GROUP who are employed or seeking employment by the LESSEE or its contractors or subcontractors. Prohibited discriminatory practices include, but are not necessarily limited to: (1) rejection of a RESIDENT referred to an employer by a collective bargaining agent in favor of a non-resident; (2) rejection of a RESIDENT in favor of a non-resident of similar qualifications in employment not covered by a collective bargaining agreement; (3) termination of a RESIDENT in favor of a non-resident of similar qualifications; and (4) differentiation in payment of wages, salaries, fringe benefits, and working conditions between a RESIDENT and non-resident.

4.1.7 SUBSISTENCE To the maximum extent possible, LESSEE shall not damage any fish, wildlife, or biotic resources or the habitat thereof, in the STATE, upon which persons may rely for subsistence purposes.

4.1.8 IMPACT INFORMATION CENTERS The LESSEE shall fund the establishment and operation of IMPACT INFORMATION CENTERS (IIC) to be established to serve these regions: the NORTH SLOPE REGION; the TANANA-YUKON/NORTH REGION; the FAIRBANKS NORTH-STAR REGION; DELTA-CLEARWATER REGION; and the UPPER TANANA REGION. Where such Centers have been established by local governments, LESSEE shall fund expanded operations related to the PROJECT. Such funding shall continue until

the commissioning of the pipeline.

4.1.8.1 Plans of Operation Plans of operation for each IMPACT INFORMATION CENTER shall be developed in a cooperative and consultative manner by the LESSEE, STATE, and area representatives, including members of the area IIC ADVISORY BOARDS. These plans of operation shall be completed prior to establishing the physical center or engaging center staff.

4.1.8.2 Impact Information Center Advisory Boards LESSEE shall provide funding for IIC ADVISORY BOARDS established for each IMPACT INFORMATION CENTER.

4.1.9 CITIZENS ADVISORY COUNCIL A STATE Citizen's SOCIOECONOMIC ADVISORY COUNCIL hereinafter referred to as "The Council", shall be established to advise the PIPELINE COORDINATOR with respect to actions that may be required to lessen or mitigate the adverse affects of LESSEE'S PROJECT upon, and maximizing the opportunities of the PROJECT for, the citizens of the STATE. The LESSEE shall fund the establishment and operation of this Council.

4.1.9.1 The LESSEES shall appoint a representative to be present during meetings of the Council. The LESSEE representative shall make regular reports to the Council concerning, among other matters, the LESSEE'S current and projected activities as might have SOCIOECONOMIC consequences.

4.1.10 REIMBURSEMENT OF HIGHWAY DAMAGES The LESSEE shall negotiate an agreement with the STATE Department of Transportation and Public Facilities to reimburse the STATE for highway maintenance and repair which is reasonably related to construction activities. Said agreement will be negotiated and signed prior to the commencement of construction activities.

4.1.11 TEMPORARY CAMPS SOUTH OF FAIRBANKS The LESSEE shall establish only temporary camps south of Fairbanks to support the construction of project facilities, compressor stations and other appurtenances. Permanent camps for housing workers shall not be established for the maintenance and operation of the pipeline system south of Fairbanks.

4.1.12 OPERATIONS AND MAINTENANCE PERSONNEL FOR ANGTS-ALASKA, INCLUDING CONDITIONING PLANT The LESSEE shall ensure that personnel for the operation and maintenance of the pipeline system and the Gas Conditioning Facility shall be supplied out of localities in proximity to the pipeline system.

4.1.13 CONSTRUCTION, OPERATION, AND ADMINISTRATIVE CENTER FOR ANGTS-ALASKA The LESSEE shall maintain an agent for the construction, operation, maintenance, and termination of the pipeline at all times during the term of this lease. Such an agent shall be a citizen of the United States or, if a corporation, shall be duly authorized to conduct business

in Alaska. LESSEE shall cause such agent to maintain in the City of Fairbanks, Alaska, at all times during this lease, an office for the delivery of all documents, orders, notices, and other communications as well as for the conduct of all Alaska Operations related to the construction operation, maintenance and termination of the pipeline PROJECT.

4.1.14 REIMBURSEMENT TO THE STATE The LESSEE shall reimburse the STATE for all reasonable costs incurred in monitoring the construction of the pipeline and in enforcing this lease. Further, the LESSEE shall reimburse the STATE for all reasonable costs for services rendered as a direct result of PROJECT activities and for services rendered to PROJECT employees and their families.

4.2 PROGRAM PLANS

The LESSEE shall submit to the PIPELINE COORDINATOR within one hundred and eight (180) days of the acceptance of this lease, program plans demonstrating the LESSEE's commitment to lessening or mitigating the adverse effects of the PROJECT upon and to maximizing the opportunities of the PROJECT for, the citizens of the STATE. These program plans shall be developed in a consultative manner through WORKING GROUPS. The PIPELINE COORDINATOR must approve all plans prior to implementation. The LESSEE shall not impede nor interfere with activities that are normally performed by the STATE or its political divisions.

4.2.1 PROGRAM PLANNING PROCESS The program plans shall be developed in a cooperative manner with the STATE, its political subdivisions, and the affected communities. The planning process shall consist of three phases, the Design Phase, the Development Phase, and the Plan Approval Phase.

4.2.1.1 Design Phase The design phase shall establish design criteria for each 4.2 program plan identifying any applicable parameters of study and program activity, the maximum and minimum values for such parameters, where quantifiable, and the boundary conditions for each set of design criteria. The product of the Design Phase will be a plan design for each 4.2 program plan. Approval by the PIPELINE COORDINATOR of each plan design shall occur prior to initiation of the development phase for that particular program plan. The Plan Design shall contain sufficient detail to allow the PIPELINE COORDINATOR to determine that socioeconomic issues are a component of overall project planning. The plan design shall include:

- (A) Planning objectives, goals, and design criteria developed
- (B) Identification of the Communities/Groups affected
- (C) Identification of WORKING GROUP(S) involved in plan development, including STATE, Federal, LESSEE representatives, consultants, and others
- (D) Data collection activities

- (E) Agency and LESSEE interface with the public during plan development phase
- (F) Submittal and approval activities during plan development phase
- (G) Schedule control techniques
- (H) Relationship of Study and Program activities to
MAJOR MILESTONES
- (I) Other pertinent data
- (J) Summary Network Analysis Diagrams demonstrating the relationship among planning design objectives, goals, program standards and related activities, and all PROJECT labor, contracting, and procurement procedures as well as construction related activities and contingencies that may reasonably be anticipated in connection with the PROJECT.

4.2.1.2 Development Phase In the Development Phase there shall be development of planning scopes and plan outlines; the execution of contracts, agreements and understandings with public agencies and others as needed for plan development; establishment of final program goals and performance criteria for each program, including all applicable parameters, values, standards, and conditions affecting program performance during all phases of PROJECT activity; and the initiation of scheduled studies, including baseline data gathering and analyses as in the summary analysis.

4.2.1.2.1 The product of the Development Phase shall be

program plan outlines; program goals, standards, and criteria; and an interim report detailing progress on activities scheduled in the summary analysis. Submittal to and approval by the PIPELINE COORDINATOR of each Development Phase product shall precede activities in the Plan Approval Phase for that particular program plan.

4.2.1.3 Plan Approval Phase In the Plan Approval Phase a draft plan shall be completed for review by the PIPELINE COORDINATOR which shall contain all LESSEE recommendations to meet the plan requirements and shall detail program goals, objectives, policies and procedures, standards and criteria, mitigative and augmentative measures, schedules, assurances, agreements, and understandings to implement those recommendations. Each draft plan shall provide all details required in the specific program plan description and be in conformity with the respective approved summary analysis.

4.2.2 WORKING GROUPS Program planning design, development and approval shall involve WORKING GROUPS consisting of federal, STATE, public, and LESSEE representatives. All WORKING GROUP participants shall be designated by appropriate authorities within the federal, STATE, and LESSEE organizations.

4.2.2.1 The WORKING GROUPS shall initially consist of representatives of the STATE, designated by the PIPELINE COORDINATOR in accordance with the ONE-WINDOW process, and representatives of the LESSEE. Space in all WORKING GROUPS

shall be reserved for federal representatives, who may be designated by the Federal Inspector.

4.2.2.1.1 Public Representation To ensure that local perspective and expertise will be available to each WORKING GROUP, it shall be the responsibility of each WORKING GROUP to provide, as soon as possible, for representation in the WORKING GROUP by community and municipal officials, and where appropriate, representatives of state advisory boards and councils, specialized organizations such as health and medical planning groups, health systems agencies (HSA), other social services organizations, business and professional planning organizations, alcohol and drug abuse prevention organizations, etc. and regional emergency medical services councils, senior citizen organizations, youth advocacy organizations, Native and minority organizations, and labor organizations.

4.2.2.2 Working Agreements Each WORKING GROUP shall develop a working agreement that shall include, but not be limited to: composition of the WORKING GROUP during all phases of planning activity; responsibilities of each WORKING GROUP participant, provision of staff assistance to the group, public review of group deliberations, the use of proprietary and confidential information by the WORKING GROUPS as necessary, and any other provisions necessary to the efficient and effective operation of these groups.

4.2.2.3 Transmittal of Supplemental Information All working papers, data, and reports generated in connection with

WORKING GROUP deliberations shall be transmitted as supplemental information to the PIPELINE COORDINATOR with other required transmittals at the conclusion of each planning process phase.

4.2.2.4 Open Meetings All WORKING GROUP meetings shall be OPEN TO THE PUBLIC.

4.2.2.5 Costs associated with the performance of the WORKING GROUPS, including the expenses incurred by STATE and federal representatives, community and municipal officials, and other public participants, shall be paid by the LESSEE.

4.2.3 PROGRAM PLAN ELEMENTS Each Program Plan shall contain the following elements: information, projections, impact projections, mitigative-augmentative measures, program goals and performance standards, and program plan descriptions.

4.2.3.1 Information Inasmuch as each area encompassed by a program plan creates a need for information in both the public and the private sectors, the program plans shall be designed to ensure that adequate provision has been made to meet the particular information needs created within its purview. The program plan shall identify (A) the categories of information to be provided; (B) the STATE and local, public and private resources to be employed in its collection, collation, and distribution; (C) the data bases to be employed; and (D) the form and medium of presentation of the data and information developed pursuant to each program plan.

4.2.3.1.1 Information Systems To the maximum extent possible, data systems of the LESSEE shall be compatible with existing data systems to insure accessibility and timely distribution of information.

4.2.3.2 Projections Each program plan shall detail the resources, services, and programs in the public and private sectors required to support PROJECT activities in each program plan area. These details shall include the type of resource or service required, demand-schedule, source of required resource or service, and any additional information necessary to provide reasonable, accurate, and timely projections to the STATE, localities, and Impact Information Centers to permit reasonable planning for contingencies arising from PROJECT activities.

4.2.3.3 Impact Projections Each program plan shall provide impact projections arising from the PROJECT demands upon the regions of the STATE and the localities affected by PROJECT activities. The impact projections shall detail, or make provision; for the detailing of, impacts which create a need for compensatory action by either the public or private sector in the STATE, and the countervailing demands which they create so that the people of the STATE and their agents shall have adequate advance information to respond appropriately to the effects of the PROJECT. Such impact projections shall be based upon relevant combinations of PROJECT data, baseline data from the affected communities and the regions, and current levels of services provided. These impact projections shall be used to determine the potential deficit and/or additive effects upon the physical infrastructure, the social structure, the provision of services, and the overall quality of life as appropriate within the constraints of each program plan.

4.2.3.4 Mitigative/Augmentative Measures Provisions

shall be made in each program plan to delineate compensatory measures that may balance the deficit effects as well as those measures that may enhance the additive features of the PROJECT upon the STATE and its people. These measures shall include: specific operational policies that will guide the decision-making of the LESSEE, the Prime Management Contractor and the Execution Contractors; the upgraded or expanded programs needed to balance the effects of the PROJECT on STATE and local services; and new programs and services, such as the Impact Information Centers, the remote hire program, the employee locator system, and the national publicity campaign to discourage in-migration to the STATE, to be established to manage impacts.

4.2.3.5 Program Goals and Performance Standards Each

program plan shall contain program goals and performance standards. These program goals shall be reflected as principles in all contracts or agreements executed by the LESSEE and the Prime Management Contractor (PMC) to the extent any program goal is relevant to the contract or agreement. The STATE will use the relationship between LESSEE's performance and these program goals and performance standards as a measure of LESSEE's compliance with these stipulations. These program goals and performance standards shall constitute both STATE and LESSEE policy with respect to the PROJECT and shall be considered adopted when, together with the program plans, they are signed as transmitted by the LESSEE to the STATE and approved, in writing, by the PIPELINE COORDINATOR.

4.2.4 PROGRAM PLAN DESCRIPTIONS The LESSEE shall provide the

PIPELINE COORDINATOR with descriptions of program plans in the categories specifically delineated below. The PIPELINE COORDINATOR may require additional components to be included within each plan described as specific program needs are identified through the Planning Process. It shall be the duty of the LESSEE to implement these program plans. The LESSEE shall bear all costs of plan preparation, dissemination, mandating reviews, and implementation of all such plans.

4.2.4.1 Labor Force Plans, Construction and Operation Phases

The LESSEE shall develop a Labor Force Plan which shall contain measures to recruit, train, and hire Alaskan RESIDENTS, to the maximum extent allowable by law, for the preconstruction, construction, and the operation and maintenance phases of the PROJECT. The LESSEE shall include these measures in the Project Labor Agreement (PLA) and all other applicable legal agreements governing PROJECT activities. This Plan shall include measures to identify the extent to which any supplemental training is required for the Alaskan workforce to meet PROJECT labor demands, and to utilize training programs such as union apprenticeship, C.E.T.A., and other in-State job training programs. This plan shall include provisions for emergency and subsistence leave for employees. The Plan shall also include an orientation program for management representatives of all PROJECT contractors and subcontractors at which these representatives shall be briefed on all applicable STATE and federal labor laws and regulations specifically including safety, worker's compensation, utilization of Job Service offices, and access to all PROJECT facilities for investigatory requirements of agents from the STATE Department of Labor, Wage and Hour Division. The Plan shall include a design for a "labor force delivery system" incorporating training needs identification and other measures, including:

4.2.4.1.1 Identification of a job entry requirements and job descriptions for those occupations involved in the construction, operation, and maintenance of the pipeline system including minimum entry skills, process of the normal entry stream, and, if applicable, usual union affiliation;

4.2.4.1.2 Inventory of the skill levels and training needs of the available Alaska workforce including all demographic and labor force information necessary to determine the status, location, and availability of that workforce;

4.2.4.1.3 Descriptions of training programs either established or to be established, to meet the supplemental training requirements for the PROJECT workforce including both institutional and on-the-job training which will allow Alaskans to update, upgrade, and develop skills necessary to compete for the available job opportunities;

4.2.4.1.4 Assurances that contractors will register with the Employment Security Division of the Alaska Department of Labor for Unemployment Insurance Contribution and with Alaska Department of Labor for participation in the Bureau of Labor Statistic's labor force estimating and occupational statistics program; and

4.2.4.1.5 Provisions and procedures for a remote hire/dispatch system to equalize job access for QUALIFIED rural Alaskans, including coordination with labor unions in the

negotiated Project Labor Agreement and coordination with all other recognized manpower distribution systems. Rural dispatch opportunities must be protected to the maximum extent practicable.

4.2.4.1.6 Labor Force Projections shall be submitted to the PIPELINE COORDINATOR. The first such projection shall cover the initial six-month period and shall be submitted within thirty days of the acceptance of this lease. This projection shall be for a total projected number of PROJECT employees in Alaska, broken down by detailed occupational categories, further broken down by job location and camp location, and goals for Alaska Native, other minority, and female hire. Additional projections shall be submitted quarterly until the completion of the PROJECT, beginning the first full quarter following the period covered by the initial six-month projection. Such additional projections shall contain, in addition to information categories supplied in the initial projection, a breakdown of total projected Labor Force, by location, showing Alaska Hire goals for that quarter.

4.2.4.2 Alaska Business Opportunity Plan, Construction and Operation Phases The LESSEE shall develop an Alaska Business Opportunity Plan which shall include all lawful and appropriate steps to enhance opportunities for ALASKA-OWNED BUSINESSES during the construction and operation and maintenance phases of the PROJECT, including: (A) a set-aside program

which shall provide that a percentage of total contract awards for the PROJECT be awarded to ALASKA-OWNED BUSINESSES; (B) provisions for procurement specification tolerances within which locally procurable goods and services may be substituted for non-locally available goods and services; (C) provisions by which aggregate unit bids may be broken down to sub-units in line with the capacities of ALASKA-OWNED BUSINESSES; and (D) a contracting procurement information and reporting program which shall provide detailed procurement information and procedures for ALASKA-OWNED BUSINESSES, including reimbursement practices and provision for regular reports and projections of PROJECT contracting and procurement requirements to the Alaska business community such that sufficient inventory controls may be maintained by individual businesses to avoid shortages to local residents.

4.2.4.2.1 The LESSEE shall submit an initial quarterly projection of contracting and procurement activities when the Alaska Business Opportunity Plan is submitted for approval to the PIPELINE COORDINATOR. This projection shall detail the total projected contract dollars to be awarded for the PROJECT during the reporting period, the breakdown of total projected contract dollars by classification of goods or services to be delivered or rendered, and the projected destination of the deliverables with required points of delivery. The projection shall include the LESSEE goals for Alaska business participation for the reporting period.

4.2.4.2.2 The LESSEE shall provide written assurance of timely reimbursement with this plan which shall be a part of each contract with an ALASKA-OWNED BUSINESS.

4.2.4.3 Project Health and Safety Plan The LESSEE shall develop a plan for the provision of medical services, physical and mental health care, and worker safety which shall ensure a safe and health living and working environment for project employees. This Plan shall include: (A) a medical systems design overview which shall detail the medical facilities, services, personnel, and programs available to employees; (B) field evacuation procedures; and (C) provision for counseling and referral services for employees, including alcohol and drug abuse counseling; (D) a loss prevention program to maximize worker safety on the job; (E) plans to ensure cooperation with both public and private health and social service providers so that an effective level of delivery of services may be maintained to pipeline workers and their families as well as the population-at-large; and (F) plans for a PROJECT health and safety reporting program to provide an adequate, on-going, data-base on PROJECT health and safety for the use of public agencies and the Alaska medical community.

4.2.4.4 Public Information Plan The LESSEE shall develop a public information plan which shall include: descriptions of the format, content, categories, proposed schedule, and media to be employed for all regular media

productions designed for public information purposes; details on PROJECT information policies and procedures for media and press relations, PROJECT access by the news-media and the press, processes for public inquiries, and procedures governing the use of confidential and proprietary information; delineation of the separate channels utilized by the LESSEE for the dissemination of technical and specialized information as distinct from "public relations" information, and provision for the coordination and integration of the multiple information components of other program plans which may be appropriate for public dissemination, including LESSEE utilization of the Impact Information Centers and other local resources.

4.2.4.5 Employee Management Plan The LESSEE shall develop an Employee Management Plan for processing, orienting, and providing support services for employees which shall include: (A) the establishment of an Employee Locator System which will be used to facilitate mail delivery, locate workers in case of emergencies and for other lawful purposes; (B) a Camp Management Plan which (1) details camp regulations and policies, (2) describes the camp management and its relationship to the employees and its relationship to the PROJECT management structure, and (3) describes the camp facilities and the services available to the employees, e.g., mail services, communications, recreation, banking, and counseling services; and (C) an employee orientation program which shall include (1) information developed pursuant to the Camp Management Plan, PROJECT Health and Safety Plan, PROJECT Security

Plan, (2) any and all PROJECT policies and procedures that may affect the employee, and (3) applicable environmental and Fish and Game laws, local community concerns, and stipulations governing the PROJECT as they relate to the employees' responsibilities.

4.2.4.6 Project Security Plan The LESSEE shall develop a PROJECT Security Plan which shall be utilized in the work camps, work sites, and at all PROJECT locations within the STATE. This Plan shall include, but not be limited to: (A) a description of general PROJECT security needs and proposed measures to be taken by the LESSEE and its contractors to meet those needs; (B) a description of PROJECT security policies and procedures governing search and seizure, arrest and detainment, investigation, appeals, and relationship to civil authorities; (C) a statement of the legal authority exercised by LESSEE's security personnel; and (D) a description of security personnel positions including backgrounds, skills, and training requirements for those positions.

4.2.4.7 Gas Taps Design Plan The LESSEE shall develop a plan for the siting and design of gas tap installations in the PROJECT pipeline which shall include: (A) a description of gas taps, the volumetric capability of taps, and the technical, regulatory, and other requirements which must be met to acquire gas from the pipeline; (B) plans for providing information to utilities and/or other groups who seek to evaluate the economic and the technical feasibility of gas

distribution systems; and (C) provisions for the design of gas tap installations at locations designated by the PIPELINE COORDINATOR such that the maximum potential use for each location may be accommodated and the continuous usage in the event of temporary line shut-down may be assured.

4.2.4.8 Communication Plan The LESSEE shall develop a PROJECT Communications Plan which shall include a description of the PROJECT communication system in sufficient detail to assess its interface with STATE and local systems. The Communications Plan shall incorporate: (A) procedures to ensure the availability of PROJECT communication capabilities for law enforcement and emergency purposes, including the dedication of a communications channel for the use of the Alaska Department of Public Safety and for emergency medical communications; procedures to permit access to the PROJECT communications system by the local Impact Information Centers; and procedures to permit the establishment of a remote dispatching system and an employee locator system.

4.2.4.9 Transportation Plan The LESSEE shall develop a plan identifying the social and economic effects of PROJECT transportation requirements for major hauling and PROJECT personnel in Fairbanks and other PROJECT locations. This plan shall outline those policies and procedures established by the LESSEE to govern the transportation activities of the PROJECT and establish a PROJECT transportation reporting system which will provide on-going consolidation and availability of PROJECT transportation information including

route uses, schedules, and volumes.

4.2.4.9.1 The LESSEE shall submit an initial projection of PROJECT transportation activities when the Transportation Plan is submitted for approval. This projection shall include a project-life estimate of transportation activities for all modes for the following: camp mobilization, pipe haul, compressor station parts, equipment, POL, material, commodities, and personnel. This projection shall include activities during the mobilization, construction, and demobilization phases of the PROJECT and shall detail the MAJOR MILESTONES related to transportation activity. This projection shall include a summary schedule and description of PROJECT transportation estimates by month, mode, volume, and route utilizing maps and other graphic displays of information which may aid the presentation of the data.

4.2.4.10 Housing Plan The LESSEE shall develop a plan for identifying PROJECT-related housing needs at quarterly intervals including estimations of the numbers of LESSEE, Prime Management Contractor, and Execution Contractor personnel who will be relocated to pipeline CORRIDOR COMMUNITIES and projections of the housing requirements for these personnel by type, size, and location of housing. Such projections will also include estimations of utility and other local service needs. In addition, regular projections will be provided of the hotel and motel needs of itinerate personnel working in the proximity of CORRIDOR COMMUNITIES.

4.2.4.10.1 An initial projection of the next year's PROJECT housing requirements shall be made within thirty (30) days after the acceptance of this lease.

4.2.4.11 Law Enforcement and Public Safety Plan The LESSEE shall develop a plan detailing its relationship with the Alaska and North Slope Borough Departments of Public Safety, including: (A) agreements between the LESSEE and the Departments of Public Safety regarding the relationship between the Public Safety personnel and PROJECT security personnel; (B) the establishment of a reporting procedure to ensure the timely reporting of criminal violations and other public safety matters to appropriate authorities; and (C) an agreement to provide access to camp facilities and other PROJECT facilities to the Alaska State Troopers and NSB Public Safety Officers in the performance of PROJECT-related duties, including room, board, and other services as the need may arise in the performance of official duties. These agreements shall include a negotiated maintenance agreement with the Departments of Public Safety for the servicing of vehicles used by law enforcement officers North of the Yukon River.

4.2.4.12 Subsistence Impact Plan The LESSEE shall provide plans and procedures to protect: (A) fish, wildlife, and other biotic resources taken for SUBSISTENCE USES; (B) the habitats of such resources; and (C) the activities and harvest opportunities associated with SUBSISTENCE USES of

such resources. A Subsistence Impact Plan shall be developed which includes: (A) the development of a study design to assess the potential conflicts between PROJECT activities and SUBSISTENCE USES, including activities and harvest opportunities associated with such uses; (B) the funding of appropriate research and monitoring efforts necessary to protect SUBSISTENCE USES, including activities and harvest opportunities associated with such uses, over the life of the PROJECT; and (C) the delineation of responsibilities of the federal government, the STATE and its political subdivisions for permitting and compliance, field surveillance, governmental decision-making regarding mitigative measures, and facilities design and siting. The information resulting from this plan must be useful for technical evaluation purposes and understandable to subsistence users.

4.2.5 COMMUNITY AND REGIONAL IMPACT PROGRAM The LESSEE shall cooperate with the STATE in the development of a Community and Regional Impact Program.

4.2.5.1 Community and Regional Impact Assessments. The LESSEE shall fund studies, developed by the STATE, of the effects of PROJECT activities on the CORRIDOR COMMUNITIES and the Corridor Regions transected by the pipeline. These studies shall identify the specific positive and negative effects from the PROJECT and shall detail the characteristics of those effects such that the LESSEE, the STATE and its

political subdivisions, and the CORRIDOR COMMUNITIES may make management decisions based upon accurate, timely, and meaningful information.

4.2.5.2 Community Baseline Profiles The LESSEE shall fund Community Baseline Profiles, to be developed by the STATE, for use in the development of Community and Regional Impact Assessments. The Profiles shall include planning data with emphasis on land use, resources, and economic developments designed to assess the cumulative effect of pipeline development on an entire region.

4.2.5.3 PROJECT Description The LESSEE shall provide a PROJECT Description within 30 days of the acceptance of this lease, including: (A) detailed alignment/routing information, facilities siting and camp locations, layout, and description; (B) general description of the criteria and standards relating to alignment and facilities siting; (C) PROJECT scheduling information, PROJECT logistical information including movements of labor force and materials; (D) field activities schedules, labor force supply and demand data; (E) projected need for housing, and projected utilization of local goods and services; and (F) any additional information relevant to the analysis of project impacts on the localities affected.

4.2.5.4 Community Impact Mitigation Plans Community

Impact Mitigation Plans shall be developed by LESSEE which include the consolidation of all information, projections, and impact projections developed pursuant to the 4.2 Program Plans. The Community Impact Mitigation Plans shall provide a standard reporting format, schedule, and distribution process for the information. The LESSEE shall provide information to the STATE Department of Labor and STATE Department of Commerce and Economic Development, and the STATE Division of Budget and Management ; for their ongoing forecasts of economic and population changes.

4.2.5.4.1 Corridor Regions LESSEE shall develop Community Mitigation Plans for each of the following regions: the NORTH SLOPE REGION, the FAIRBANKS-NORTH STAR REGION, the TANANA YUKON/NORTH REGION, the DELTA-CLEARWATER REGION, and the UPPER TANANA REGION. These Plans shall address the effects of PROJECT activities identified by the STATE in the Community and Regional Impact Assessments and shall include LESSEE's plans and procedures to mitigate the adverse effects of the PROJECT on the people of the STATE.

PERFORMANCE AND COMPLIANCE

4.3.1 PERFORMANCE REPORTS LESSEE shall submit performance reports to the PIPELINE COORDINATOR on program

activities undertaken pursuant to the Section 4.2 program plans.

4.3.1.1 Employment Performance Reports Reports concerning work-force hire and termination shall be submitted to the PIPELINE COORDINATOR quarterly. These reports shall detail: (A) total PROJECT hire/termination during the reporting period; (B) breakdown of (A) into Alaskan Native/Non-Native/Other Minority classifications; (C) breakdown of (B) into Male/Female classifications; (D) breakdown of (A), (B), and (C) by job classifications; (E) breakdown of (D) by residence identifying state of residence and, if Alaskan, identifying city, town, or village residence; and (F) breakdown of (E) in termination report shall indicate the reason for termination by appropriate category, e.g., quit, fired, reduction-in-force. The Termination report for categories (A), (B), and (C) shall include the average worker hours worked, total, and for each classification.

4.3.1.2 Alaskan Business Opportunities Performance

Reports Reports on local business participation shall be submitted to the PIPELINE COORDINATOR quarterly. These reports shall detail: (A) total contract dollars for contracts in connection with work to be performed in Alaska during the reporting period; (B) breakdown of (A) by contractor and contractor home office by city and state; (C) breakdown of (B) by classification of goods-services delivered/rendered; and (D) breakdown of (C) by destination of deliverables by spread and location of delivery.

4.3.1.2.1 The Alaskan Business Opportunities Performance reports shall be limited to contract units greater than Fifty Thousand Dollars in breakdowns B, C, and D.

4.3.1.3 Other performance reports on program activities resulting from each 4.2 program plan shall be submitted quarterly to the PIPELINE COORDINATOR, and shall contain at least the following information: (A) performance activity by stipulation number; (B) name of LESSEE official in charge of subject activity; (C) current activity schedule; (D) objective of activity, including product or result anticipated; (E) projected review date(s) for activity products or results; and (F) brief narrative of activity status, including application of relevant standards and criteria.

4.3.1.4 Initiation of Performance Reporting Periods

All performance reporting periods shall begin the first full

quarter following the approval of the program plans by the PIPELINE COORDINATOR.

4.3.2 PERFORMANCE AND COMPLIANCE BOND The LESSEE shall furnish the STATE a Performance and Compliance Bond of such type and on such terms and conditions as are acceptable to the PIPELINE COORDINATOR, in the principal amount of one million dollars (\$1,000,000.00). This bond shall be furnished within ninety (90) days of the acceptance of this lease. This Bond shall be maintained in full force and effect in the full principal amount at all times until released in writing by the PIPELINE COORDINATOR, or until one year after the commissioning of the pipeline, whichever occurs first.

4.3.3 COMPLIANCE

4.3.3.1 Response to Information Requests Response to information requests made of LESSEE by the PIPELINE COORDINATOR shall be made in the manner prescribed by the PIPELINE COORDINATOR. In the event that an information request response cannot be completed in the time requested or in the manner prescribed, LESSEE shall detail, in writing, within ten (10) working days of the request, the reasons for LESSEE's inability to respond to the request and suggest an alternative schedule for a response.

4.3.3.2 Failure to Respond to an Information Request
Failure of LESSEE to respond to an information request made

by the PIPELINE COORDINATOR shall constitute non-compliance and LESSEE shall be liable for penalties imposed pursuant to Section 4.3.4.

4.3.3.3 Determination of Non-Compliance LESSEE shall be considered in non-compliance with program goals and performance standards when, having received a written Notice of Non-Compliance from the PIPELINE COORDINATOR detailing by reference to applicable stipulation, plan, approved program the area of non-compliance, LESSEE fails to correct, mitigate, or otherwise alter the designated area of non-compliance to the satisfaction of the PIPELINE COORDINATOR. Non-compliance shall be based on any, all, or combinations of the following: non-conformity to stipulation(s), failure to implement and conform to an approved program plan, failure to conform to established performance standards, failure to conform to various agreements or understandings relating to program planning under Section 4.2, failure to respond to information requests, and failure to achieve program goals established under the 4.2 program plans.

4.3.3.4 Form of Response to a Notice of Non-Compliance LESSEE shall respond to a Notice of Non-Compliance, in writing, within a time specified by the PIPELINE COORDINATOR. The response shall detail: (A) designated company official(s) directing the Non-Compliance response; (B) reasons for non-compliance; (C) plan of action to be taken to achieve compliance status; (D) schedule for such corrective actions

and (E) other pertinent information.

4.3.3.5 Acceptability of Response LESSEE shall be notified, in writing, by the PIPELINE COORDINATOR if LESSEE's response is unacceptable. In case of an unacceptable response, the LESSEE and the PIPELINE COORDINATOR shall negotiate to achieve an acceptable response.

4.3.4 PENALTY Failure by LESSEE to implement the compliance time-tables and undertake scheduled actions may result in a penalty of no less than one thousand dollars (\$1,000.00) or no more than ten thousand dollars (\$10,000.00) per day per violation for each day a required action is not taken beyond the established compliance timetable. The amount of the penalty shall be set by the PIPELINE COORDINATOR, and shall be collected from the Performance and Compliance Bond.

4.3.4.1 These requirements for compliance and penalties for non-compliance are in addition to all other requirements under law, and are not intended to affect, nor are they intended to limit in anyway, LESSEE's liability under any provision of law.

4.4 SURVEILLANCE, INSPECTION, AND MONITORING

Lessee shall cooperate with the STATE in the execution of the STATE's surveillance, inspection, and monitoring

duties in connection with these stipulations, including: the monitoring of program and planning performance and the inspection of information sources and data bases as may be used in the development and production of projections, performance reports, plans, assessments, or other information requirements arising from these stipulations.

4.4.1 AUDIT OF DATA LESSEE shall ensure the maintenance and accessibility of all data that provide the basis for plans, programs, and reports, required by these stipulations and shall permit the PIPELINE COORDINATOR to conduct periodic audits of that data.

4.4.1.1 Form of Request for Data The PIPELINE COORDINATOR shall make all requests for access to data in writing, specifying the data required, the desired date and place of delivery, and the medium to be employed in transmitting the requested data, taking into consideration the time reasonably required to provide the data and the costs involved in their transmission.

4.4.1.2 Confidential and Proprietary Data Confidential and proprietary data shall be treated in accordance with STATE law.

4.4.1.3 Limitations Such audits of data shall be for

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evaluative purposes only in questions of completeness, correctness, or accuracy of information related to requirements of these stipulations and shall not be used to hold harmful or in any way incur liability of LESSEE other than liabilities arising from the failure to perform and comply to these stipulations. This Sub-Section is limited to the purposes of these stipulations and is not intended to supplant or replace applicable laws, rules, or regulations otherwise in effect.

4.4.2 STATE AGENCY SURVEILLANCE AND MONITORING

4.4.2.1 All STATE agencies with responsibilities to enforce standards pursuant to agreements in the Section 4.2 program plans, and STATE agencies with responsibilities established by law to enforce standards in the living and working environments of PROJECT employees shall be considered monitoring and surveillance agencies for the PROJECT. To the extent allowed by law, all STATE monitoring and surveillance activities shall be coordinated pursuant to the "ONE-WINDOW" process.

4.4.2.2 State Occupational Safety and Health Inspection

The LESSEE shall allow all designated representatives of the STATE Department of Labor to enter any area along the right-of-way where work is being performed, for the purpose of inspecting the work-environment and evaluating compliance with the STATE Occupational Safety and Health laws.

4.4.2.3 Public Safety The LESSEE acknowledges the

authority of the Alaska Department of Public Safety under A.S. 18.60 and the authority of the North Slope Borough Department of Public Safety, and agrees to allow representatives of those Departments access to any point along the right-of-way for official purposes.

4.4.2.4 Human Rights Surveillance and Monitoring The LESSEE acknowledges the authority of the STATE Human Rights Commission under A.S. 18.80, and agrees to allow access to any point along the right-of-way for official purposes.

4.4.2.5 Health and Social Services The LESSEES shall allow representatives of the STATE Department of Health and Social Services to enter any area along the right-of-way for the purposes of conducting all inspections of the living and working environment authorized by law.

4.4.2.6 Reimbursement for Monitoring and Surveillance Activities All reasonable costs incurred by STATE agencies in monitoring and surveillance activities shall be reimbursed by LESSEE.

4.4.2.7 Accommodation and Use of Facilities The LESSEE shall provide STATE monitoring and surveillance personnel and others on official business with the STATE with room, board, and vehicle maintenance at LESSEE camps north of the Yukon River during the preconstruction, construction, and operation phases of the PROJECT.

4.5 ACCESS

4.5.1 MAXIMUM UNRESTRICTED ACCESS During construction or termination of activities, the LESSEE may regulate or, with the written consent of the PIPELINE COORDINATOR, prohibit access to or upon any public road being used for such activity. At all other times, the LESSEE shall permit free and unrestricted access to and upon public roads. The LESSEE shall provide appropriate warnings, flagmen, barricades, and other safety measures when the LESSEE is using roads or regulating access to or upon public roads.

4.5.2 ALTERNATIVE ROUTES During construction of the pipeline, the LESSEE shall provide alternative routes for existing recorded or unrecorded roads and trails at locations and according to standards as determined by the PIPELINE COORDINATOR.

4.5.3 ALTERNATIVE CROSSINGS The LESSEE shall provide suitable permanent crossings for the public at locations and according to standards as determined by the PIPELINE COORDINATOR where the right-of-way crosses existing roads, foot trails, winter trails, or other rights-of-way.

4.5.4 ACCESS TO WATERBODIES The LESSEE shall take into consideration and make accommodation for access to and from waterways and waterbodies such as streams, rivers, and lakes in the design and construction of the pipeline and its appurtenances.