ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 8672

1011 SCOMM 28: JOINT GAS PIPELINE COMMITTEE, 1981-82 1011

Notes and background:

The following materials were delivered to the Legislative Reference Library in the Fall of 1983 by the staff of Senator Bettye Fahrenkamp. These files are the result of a periodic "weeding" by staff of oil and gas committee ongoing files. Please refer to SCOMM #13 and SCOMM #14 for previous files on this subject. Also, a history of committees dealing with oil and gas is included with this information folder.

Tapes of some committee hearings are available.

0. CONTENTS NOTES INCLUDING: FILE LIST, BIBLIOGRAPHY OF MATERIALS NOT KEPT, TAPES INVENTORY, HISTORY OF OIL AND GAS COMMITTEES, PARTIAL LIST OF REPORTS PRODUCED BY COMMITTEES.

1. CONTRACTS 1979 (COLLETTA, MILES, CHR.)

2. CONTRACTS 1980 (KERTULLA, GARDINER, CHR.)

3. REPORTS TO COMMITTEE--MISCELLANEOUS

4. REPORTS TO JOSEPH M. CHOMSKI OF BIRCH, HORTON BITTNER AND MONROE

5. LIQUIDS LINE STUDY - REPLIES

6. OIL TAX BILLS 1975 - 1978

7. TAPS SETTLEMENT ANALYSIS MATERIALS, 1982

8. JOINT GAS PIPELINE COMMITTEE:
TRANSCRIPT OF PROCEEDINGS, MAY 20, 1981
TRANSCRIPT OF PROCEEDINGS, MAY 21, 1981
TRANSCRIPT OF PROCEEDINGS, MAY 22, 1981
TRANSCRIPT OF PROCEEDINGS, MAY 26, 1981

9. FREE CONFERENCE COMMITTEE ON SENATE BILL 524
TRANSCRIPT OF PROCEEDINGS, JUNE 11, 1981
TRANSCRIPT OF PROCEEDINGS, JUNE 22, 1981
TRANSCRIPT OF PROCEEDINGS, JUNE 23, 1981

10. SENATE RESOURCES MEETING - TRANSCRIPT OF 5/26/78 MEETING (SIDE "B") - CS HB 50 (FIN)

11. REPORTS TO COMMITTEE:
-- "A SOUND STRATEGY FOR PROTECTING ALASKA'S OIL AND GAS REVENUES: AN ANALYSIS OF THE BACKSTOP TAX LEGISLATION." BY PRESTON, THORGRIMSON, ELLIS AND HOHMAN (MAY, 1981)
--"ALASKA OIL AND GAS INCOME TAX" BY PRESTON, THORGRIMSON, ELLIS AND HOHMAN/GREG ERICKSON AND ASSOC. (APRIL, 1981)

12. REPORTS DEALING WITH PETROCHEMICAL MATTERS AND GAS PIPELINE

 MICROFICHE #

13. GAS SALES CONTRACTS

14. ANGTS - CONDITIONING FACILITIES

15. PHASE I - AGREEMENT - ALASKA GAS PIPELINE AND CONDITIONING PLANT (JUNE 1980)

16. ANGTS - GASLINE PARTNERSHIPS

17. ANGTS - FERC LICENSING #1

18. ANGTS - FERC LICENSING #2

19. ANGTS - FERC LICENSING #3

20. PRESIDENTIAL PROPOSAL OF WAIVER (10/15/81)

21. ANGTS - CONGRESS FINANCING HEARING 10/81 #1

22. ANGTS - CONGRESS FINANCING HEARING 1981 -#2

23. PREPARED STATEMENT OF JOHN G. MCMILLAN, CHR. AK NW NATURAL GAS TRANSPORTATION CO., OCTOBER 20, 1981

24. ANGTS - CLIPPINGS, NEWSLETTERS #1

25. ANGTS - CLIPPINGS, NEWSLETTERS #2

26. ANGTS - MISCELLANEOUS CORRESPONDENCE

27. ANGTS - MISCELLANEOUS INFORMATION

28. OIL AND GAS NEWSLETTER, DEC. 1980 -

29. ALPETCO - BENCHMARK SUBMISSION 12/79

30. ALPETCO - NEWSCLIPPINGS

31. ALPETCO - FRED BONESS MEMOS

32. JT. GAS PIPELINE COMMITTEE MEETINGS ON ALPETCO - 4/28/80

33. ALPETCO - "LEGISLATIVE HISTORY"

34. TRANSCRIPTS OF FEBRUARY-MARCH 1978 HEARINGS OF SPECIAL COMMITTEE ON ROYALTY OIL AND GAS:
--2/20/78
--ROBERT E. LERESCHE, 3/14/78
--MILTON LIPTON, 3/15/78
--ARLON TUSSING, 3/16/78
--ALPETCO ATTORNEYS, 3/20/78

CONTENTS OF FOLDER #0 of SCOMM 28

1. Oil and Gas Committees of Ak. Legislature 1976-1983 (3p)

2. Joint Gas Pipeline Committee 1981-1982 - Tape Inventory

3. SCOMM 28: Jt. Gas Pipeline Committee 1981 -1982 Box 1-2

4. LAA FILE : Computer printout of 1981 - 1983 documents as of a2/83

5. SCOMM 28: Materials found in files, but not kept.

SCOMM #28: JOINT GAS PIPELINE COMMITTEE 1981 - 1982

TAPES INVENTORY

[NOTE: Tapes are no longer filed in SCOMM 28 boxes, they are filed with all other legislative Committee tapes JH 4/4/87]

These tapes accompanied the SCOMM #28 files which were received from the staff of Senator Bettye Fahrenkamp in October, 1983.

19 cassettes, 2 reel-to-reel (designated with *)

TAPE #	DATE	SIGNIFICANT INFORMATION, DESCRIPTION OF TAPES
1981		
1	3/12	Chr. Gardiner opens meeting: - Chomski - Washington aspect of pipeline - Commissioner LeResche, Department of Natural Resources
2	3/13	NW Alaska Pipeline - H. Moles and D. McKay
3	4/14	Sen. Kertulla opens meeting: - Senator F. Haskell: analysis of Arco v. State
4	4/14*	HB33, HCR4, HB408, HB67, HB466, HB81, HB200
5	5/6*	Back-up for 43.21. Messenger(?) and T. Williams of Revenue (SSHB200?)
6	5/22	Paul Harding(?)
7	5/26	Exxon - sides 3 and 4 (tape 1 - 2 not rec'd)
8	6/2	House pipeline committee
9	6/2	Joint Resources committees - copy of House Resources tape C-7
10	6/3	Joint Resources Committees - copy of House Resources tape C-8
11	6/11	FCC SB524
12	6/22	FCC SB524
13	6/23	FCC SB524
14	6/24	FCC SB524

The following 7 (seven) cassettes are a series of interviews with oil company representatives - the date(s) of these hearings(?) is not known.

15	#1	Exxon, Conoco
16	#2	Conoco, Shell
17	#3	Shell, Placid, Arco
18	#4	Sohio
19	#5	Arco, Philips, Chevron
20	#6	Chevron, Marathon
21	#7	RDC

OIL AND GAS COMMITTEES OF ALASKA LEGISLATURE 1975 - 1983

1975 - 1977 [SCOMM 13]

Joint Gas Pipeline Impact Committee 1975 - January, 1977

Rep. Willard Bowman, chr.(1975)	Sen. Kay Poland, ex-officio
Rep. Mike Bradner	Sen. Terry Miller
Rep. Ramona Kelley	Sen. John Rader, chr.(1976)
Rep. Glenn Hackney	Sen. John Huber
Rep. Steve Cowper	Sen. Frank Ferguson
Rep. Nels Anderson	Sen. Pat Rodey
Rep. Clark Greuning	Sen. Chancy Croft
Rep. Keith Specking	Sen. Clem Tillion

Source: Chapter 170 SLA 1975 (HB258)
SJ p.4 (1/12/76); SJ p.304 (2/16/76); SJ SSuppl #7 (3/3/76)

1976 - Subcommittee on Oil and Gas Leasing and Taxing Policies
Chancy Croft

1977
Special Committee to consider the Sale of Royalty Gas [SCOMM 15]
Rep. Greuning, Chairman
Rep. C.V. Chatterton
Rep. Joe Hayes
Rep. Joseph H.McKinnon
Rep. Charles Parr
Source: HJ p. 48 (1/14/77)

Sen. John Rader, chairman
Sen. Mike Colletta
Sen. John Huber
Sen. Clem Tillion
Source: SJ p. 21 (1/12/77)

1978 Interim Committees

Legislative Resolve No. 43 (HCSSCR 102) passed by 10th Legislature in 1978 established a joint interim committee on Pipeline Financing. At the same time, other committees were working on Royalty Oil.

Legislative Council Joint Interim Committee on Gas Pipeline Financing (1978) [SCOMM 16]

Rep. Bill Miles
Rep. C.V. Chatterton
Rep. Terry Gardiner
Sen. Frank Ferguson
Sen. Mike Colletta
Sen. Bill Sumner
Source: "Interim Legislative Committees and Permanent Interim Committees", LAA, October, 1978.

1978 (con't)

House Special Committee on Sale of Royalty Oil and Gas
Rep. Bill Miles, chairman
Rep. Al Osterback, vice-chairman
Rep. C.V. Chatterton
Rep. Joe McKinnon
Rep. Charlie Parr
Source: HJ p. 48 (1/12/78)

Senate Special Committee to Consider Royalty Oil Sales Proposals
Sen. Mike Colletta, chairman
Sen. Kay Poland
Sen. Pat Roday
Sen. John Sackett
Sen. Bill Sumner
Source: SJ p. 361 (2/28/78)

1979 - H. Interim Committee on Oil and Gas Leasing Policy.

1979 - 1980

LR #30 (HCSCSSCR 33) in 1979 continued committee work. The committee had several designations : Jt. Interim (Special) Committee on Gas Pipeline (Financing). Membership also varied. [SCOMM 14]

(Special?) Joint Gas Pipeline Committee
Sen. Mike Colletta, co-chairman
Rep. Bill Miles, co-chairman
Sen. Frank Ferguson
Sen Bill Sumner
Rep. Joe Hayes
Rep. C.V. Chatterton
Rep. Terry Gardiner
Rep. Charles Parr
Ex-officio members: Mr. Robert LeResche and Mr. Jack Bachman; Mr. Fred Boness (1979 iterim)
Sources: SJ p. 172 (2/7/79)
HJ p. 127 (2/2/79) and p. 858 (4/5/79)
SJ p. 289 (2/18/80), HJ p.245 (2/28/80)
HJ p. 1437 (5/17/80), SJ p.1158 (5/19/80)

1981 - 1982

Joint Gas Pipeline Committees [SCOMM 28]

Senator Jay Kertulla, chairman
Sen. Pat Rodey
Sen. Mke Colletta
Sen. Bill Ray
Sen. Bettye Fahrenkamp
Sen. John Sackett

Joint Gas Pipeline Committees 1981 - 1982 (con't)

Rep. Terry Gardiner, chairman
Rep. Brian Rogers, vice-chairman
Rep. Hugh Malone
Rep. Tony Vaska
Rep. Rick Halford
Rep. Joe Hayes
Rep. Dick Randolph

House changed membership in 6/81 to the following:
Rep. Rick Halford, chairman
Rep. Dick Randolph
Rep. Bernard C. Blysma
Rep. Joe Montgomery
Rep. Sam Cotten
Rep. Brian Rogers
Rep. Tony Vaska
Sources: HJ p. 201 (2/6/81) and HJ p. 2544 (6/23/81)
SJ p. 188 (2/4/81)
Funding: Chapter 80 SLA 1979, sect. 25, pp. 80-81
sect. 24, p. 53-54

Governor's Task Force on the Alaska Natural Gas Pipeline 1980
Senator Hackney, appted. SJ p. 112 (1/29/80)

1983

Jt. Gas Pipeline Committee was established after the passage of LR 20 (SCS CSHCR 15 (Res)) 1983. Prior to the resolution, each legislative body appointed its own committee:

Special Committee on Oil and Gas
Sen. Bettye Fahrenkamp, chr.
Sen. Vic Fischer
Sen. Don Bennett

Source: SJ p. 65, 1/25/83

Jt. Gas Pipeline Committee (House)
Rep. John Cowdery, co-chair.
Rep. Joe Hayes
Rep. Rick Uehling
Rep. John Ringstad
Rep. Tony Vaska
Rep. Mike Szymanski
Rep. Mike Davis

Source: HJ p. 30, 1/17/83

4/84 (KHS)

Materials found in SCOMM 28 files, but not kept since these publications are available elsewhere

Alaska. Dept. of Environmental Conservation. Water Quality Management Section. PETROCHEMICAL DEVELOPMENT AND WATER AND AIR QUALITY IN ALASKA. Sept. 9, 1981.

Alaska. Dept. of Natural Resources. Division of Geological and Geophysical Serveys. Report. #77: Lyle, W.M. et.al., HYDROCARBON RESERVOIR AND SOURCE-ROCK CHARACTERISTICS FOR SELECTED AREAS OF SOUTHWESTERN ALASKA. 1982.

Alaska. Interagency Technical Team. PETROCHEMICAL INDUSTRY ASSESSMENT FOR THE STATE OF ALASKA, for Jay S. Hammond. September, 1981.

Alaska. Superior Court, Third Judicial District at Anchorage. MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR SUMMARY JUDGEMENT. Atlantic Richfield Company, Arco Pipeline Company; BP Alaska...; Plaintiffs, v. State of Alaska...; Defendents (#3AN - 79 - 1903 Civ.) / Exxon Corporation et al.; counter-claimants v.State of Alaska (#3AN - 80 - 1542 Civ.)

Alaska Research Services. YUKON RIVER OIL DELIVERY STUDY. February, 1981

Alaska Public Health Association. PROCEEDINGS OF THE SEVENTH ALASKA HEALTH CONGRESS. May 6-8, 1982. "Energy, Health, and the Environment; the Health Impact of Petrochemical Development.

Alaskan NW Natural Gas Transportation Company. Docket #CP80 - . SOCIOECONOMIC COMMUNITY PROFILES; A BACKGROUND FOR PLANNING: DELTA JUNCTION, DOT LAKE, NORTHWAY, TANACROSS,TETLIN, TOK. June 1980.

Chem Systems, Inc. PACIFIC RIM MARKET FOR PETROCHEMICALS; A STUDY FOR ROYALTY OIL AND GAS ADVISORY BOARD, DEPARTMENT OF NATURAL RESOURCES. Ocotber, 1979. (204 p.)

Dow Chemical Company. PETROCHEMICAL DEVELOPMENT FOR ALASKA. 6/16/80.

Dow-Shell Group. ALASKA PETROCHEMICAL INDUSTRY FEASIBILITY STUDY. September 9, 1981. (10 vols.)

FEDERAL REGISTER. Thursday, April 16, 1981, pp. 22328 - 22350. "Part II. Office of the Federal Inspector for the Alaska Natural Gas Transportation System."

Horvath, R.E. POTENTIAL ORGANIZATIONAL PROBLEMS OF THE PROPOSED ALASKA NATURAL GAS PIPELINE PROJECT. (N-1245-DOE). A Rand note prepared for the U.S. Department of Energy. January, 1980.

Kramer, Lois, Bob Williams and Gregg Erickson. IN-STATE USE STUDY FOR PROPANE AND BUTANE. Kramer Associates, Juneau, October 1981. (Prepared for Alaska Department of Natural Resources.)

KUPARUK RIVER FIELD, NORTH SLOPE, ALASKA. FIELD RULES. Testimony before the Alaska Oil and Gas Conservation Commission. Presented by Arco Alaska, Inc. March 25, 1981.

U.S. Bureau of Land Management. NONWILDERNESS ASSESSMENT; THE ALASKA NATURAL GAS TRANSPORTATION SYSTEM. PROPOSED DECISION. April, 1980.

U.S. Environmental Protection Agency. DRAFT ENVIRONMENTAL IMPACT STATEMENT. ALASKA PETROCHEMICAL COMPANY REFINERY AND PETROCHEMICAL FACILITY, VALDEZ, ALASKA. EPA - 10 - AK - Valdez - NPDES -79. December 7, 1979.

U.S. Federal Energy Regulatory Commission. Office of Pipeline and Producer Regulation. PRUDHOE BAY PROJECT FINAL ENVIRONMENTAL IMPACT STATEMENT. (NW AK Natural Gas Transportation Company Docket No. CP 78 - 123 et al. (FERC/EIS-0009)

U.S. Office of the Federal Inspector. ALASKA NATURAL GAS TRANSPORTATION SYSTEM. QUARTERLY REPORTS. 1979 - .

Zinder Energy Processing. PRELIMINARY ECONOMIC EVALUATION OF NGL-BASED PETROCHEMICAL PRODUCTION IN ALASKA. October, 1980 (prepared for Alaska. Legislature. House Research Agency.)

llib.8100880 DOCUMENT= 1 OF 8 PAGE = 1 OF 1

AUTHOR = MESSENGER, JOHN R., GREGG K. ERICKSON AN
CARD = 8100880
FILE = LEGA
TITLE = ALASKA OIL AND GAS INCOME TAXATION: A RE

FILE LEGA
CARD # 8100880
YEAR 1981
AUTHOR MESSENGER, JOHN R., GREGG K. ERICKSON AND LAWRENCE C. EPPENBACH.
TITLE ALASKA OIL AND GAS INCOME TAXATION: A REVIEW OF THE STATE'S CURRENT OPTIONS.
PUBLISHER Joint Gas Pipeline Committee
PUB DATE April 15, 1981
SUBJECT oil; gas; income; taxation; AS 43.21; revenue
COMMENTS 39p.
Prepared for Joint Gas Pipeline Committee by Preston, Thorgrimson, Ellis, and Holman:John R. Messenger, and Gregg Erickson and Associates: Gregg K. Erickson and Lawrence C. Eppenbach.
Prepared under a contract with Legislative Affairs Agency.

END OF DOCUMENT

llib.8100885 DOCUMENT= 2 OF 8 PAGE = 1 OF 2

AUTHOR =
CARD = 8100885
FILE = LEGA
TITLE = ALTERNATIVES TO THE ALASKA NATURAL GAS P

FILE LEGA
CARD # 8100885 mYEAR 1981
TITLE ALTERNATIVES TO THE ALASKA NATURAL GAS PIPELINE: MEMORANDUM WITH ATTACHMENTS FROM MARK WITTOW, PROFESSIONAL STAFF, JOINT GAS PIPELINE COMMITTEE.
PUB DATE November 18, 1981
SUBJECT gas; pipeline; oil; transportation; vessels
COMMENTS vp.
Attachments are "documents which surfaced during the recent House subcommittee hearings on the proposed waivers for the Alaska gasline. The documents discuss several possible alternatives to the project, and come to differing conclusions."
Attachments include: 1. U.S. Office of Technology Assessment analysis, July, 1981.
2. U.S. Office of Technology Assessment testimony, November, 1981.
3. Testimony of William Kumm, Arctic Enterprises, November, 1981
4. Testimony by General Dynamics, November, 1981.
5. Letter; Update; "Proposal for transportation of Prudhoe Bay natural gas to market", by Sullivan Marsden.
6. Testimony by Arlon Tussing, November, 1981.

END OF DOCUMENT

llib.8100900 DOCUMENT= 3 OF 8 PAGE = 1 OF 1

AUTHOR = GARDINER, REP. TERRY AND SEN. JAY KERTTU
CARD = 8100900
FILE = LEGA
TITLE = ECONOMIC ANALYSIS OF COMPARATIVE OIL IND

FILE LEGA
CARD # 8100900
YEAR 1981
AUTHOR GARDINER, REP. TERRY AND SEN. JAY KERTTULA
TITLE ECONOMIC ANALYSIS OF COMPARATIVE OIL INDUSTRY TAXATION AND PROFITABILITY: MEMORANDUM.
PUBLISHER Joint Gas Pipeline Committee
PUB DATE May 21, 1981
SUBJECT oi; taxation; investment; international relations
COMMENTS 19p.
Memorandum to Joint Gas Pipeline Committee members and House Finance Committee members from Rep. Terry Gardiner and Sen. Jay Kerttula, Co-Chairmen, Joint Gas Pipeline Committee.
"Analyzes the relative attractiveness of Alaska for oil industry investment in a international context."
END OF DOCUMENT

llib.8100940 DOCUMENT= 4 OF 8 PAGE = 1 OF 1

AUTHOR = TUSSING, ARLON R. AND LOIS S. KRAMER
CARD = 8100940
FILE = LEGA
TITLE = INTRODUCTION TO PETROCHEMICAL REFINING A

FILE LEGA
CARD # 8100940
YEAR 1981
AUTHOR TUSSING, ARLON R. AND LOIS S. KRAMER
TITLE INTRODUCTION TO PETROCHEMICAL REFINING AND PETROCHEMICALS, WITH SPECIAL ATTENTION TO PROCESSING OF HYDROCARBONS FROM ALASKA'S PRUDHOE BAY FIELD.
PUBLISHER University of Alaska, Institute of Social and Economic Research
PUB DATE June, 1981
SUBJECT oil; gas; petrochemicals; Prudhoe Bay; resources; pipeline; transportation; industry; oil, refining
COMMENTS 168, 37p.
"Review draft: preliminary and subject to change."
Report funded by Joint Gas Pipeline Committee, Alaska State Legislature, and Ford Foundation
END OF DOCUMENT

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llib.8100970 DOCUMENT=        5 OF         8    PAGE =      1 OF      1
 AUTHOR   = ALASKA. LEGISLATURE. JOINT GAS PIPELINE
 CARD     = 8100970
 FILE     = LEGA
 TITLE    = OIL & GAS NEWSLETTER, VOL.2, NO.L.
FILE      LEGA
CARD #    8100970
YEAR      1981
AUTHOR    ALASKA. LEGISLATURE. JOINT GAS PIPELINE COMMITTEE.
TITLE     OIL & GAS NEWSLETTER, VOL.2, NO.L.
PUBLISHER Joint Gas Pipeline Comittee
PUB DATE  July, 1981
SUBJECT   oil; gas; pricing; taxation;  pipeline; transportation;
          petrochemicals
COMMENTS  7p.
          Prepared by Mark Wittow.
END OF DOCUMENT

          llib.8101010 DOCUMENT=        6 OF         8    PAGE =      1 OF
 AUTHOR   = PRESTON, THORGRIMSON, ELLIS & HOLMAN
 CARD     = 8101010
 FILE     = LEGA
 TITLE    = SOUND STRATEGY FOR PROTECTING ALASKA'S O
FILE      LEGA
CARD #    8101010
YEAR      1981
AUTHOR    PRESTON, THORGRIMSON, ELLIS & HOLMAN
TITLE     SOUND STRATEGY FOR PROTECTING ALASKA'S OIL AND GAS REVENUES: AN
          ANALYSIS OF THE BACKSTOP TAX LEGISLATION.
PUBLISHER Joint Gas Pipeline Committee
PUB DATE  May 27, 1981
SUBJECT   oil; gas; revenue; legislation; taxation; income; AS 43.21
COMMENTS  81p.
          Prepared for Joint Gas Pipeline Committee.
          Transmittal letter signed by John R. Messenger.
          Additional analysis of that carried out in April 15, 1981 publicatio
          by Messenger, Erickson, and Eppenbach: 8100880.
              END OF DOCUMENT
llib.8101030 DOCUMENT=        7 OF         8    PAGE =      1 OF      1
 AUTHOR   = CHOMSKI, JOSEPH M.
 CARD     = 8101030
 FILE     = LEGA
 TITLE    = TESTIMONY OF JOSEPH M. CHOMSKI, LEGAL CO
FILE      LEGA
CARD #    8101030
YEAR      1981
AUTHOR    CHOMSKI, JOSEPH M.
TITLE     TESTIMONY OF JOSEPH M. CHOMSKI, LEGAL COUNSEL TO THE JOINT NATURAL
          GAS PIPELINE COMMITTEE, MARCH 12, 1981: CURRENT STATUS OF THE ALASKA
          GAS PIPELINE, THE FEDERAL PERSPECTIVE.
PUB DATE  March 12, 1981
SUBJECT   gas; pipeline; federal government; Alaska Gas Pipeline
COMMENTS  26p.
              END OF DOCUMENT
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llib.8101400 D CUMENT=        8 OF        8     PAGE =        1 OF        1
 AUTHOR    = WI TOW, MARK.
 CARD      = 8101400
 FILE      = LEGA
 TITLE     = CONGRESSIONAL CONSIDERATION OF THE ALASK
FILE       LEGA
CARD #     8101400
YEAR       1981
AUTHOR     WITTOW, MARK.
TITLE      CONGRESSIONAL CONSIDERATION OF THE ALASKA NATURAL GAS PIPELINE:
           MEMORANDUM.
PUB DATE   November 5, 1981
SUBJECT    gas; pipeline; federal government; finance
COMMENTS   10p.
           Memorandum from Mark Wittow to members of Joint Gas Pipeline
           Committee.

R0601 * END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.

llib.8101040 DOCUMENT=        1 OF        1     PAGE =        1 OF        1
 AUTHOR    = ALASKA. LEGISLATURE. JOINT GAS PIPELINE
 CARD      = 8101040
 FILE      = LEGA
 TITLE     = TRANSCRIPT OF PROCEEDINGS, MAY 20-26, 19
FILE       LEGA
CARD #     8101040
YEAR       1981
AUTHOR     ALASKA. LEGISLATURE. JOINT GAS PIPELINE FINANCING COMMITTEE.
TITLE      TRANSCRIPT OF PROCEEDINGS, MAY 20-26, 1981: ALASKA STATE LEGISLATURE
           TWELFTH LEGISLATURE, JOINT GAS PIPELINE FINANCING COMMITTEE.
PUBLISHER  Joint Gas Pipeline Financing Committee.
PUB DATE   May, 1981
SUBJECT    oil; gas; HB 200, 1981; taxation; income; revenue; AS 43.21; Amerada
           Hess; pipeline
COMMENTS   56, 97, 62, 69p.
           Includes transcripts for May 20, 1981, May 21, 1981, May 22, 1981.
           Joint Meetings of House and Senate Gas Pipeline Financing Committee
           to hear testimony on HB 200, 1981.

R0601 * END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.
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SCOMM

28:1

CONTRACTS LIST

Contractor	Ttl Amt	Pd To Date	Remaining	Term	Product Required
Doscher	$20,000	$13,724.23	$6,275.77	To 12/31 /79	Series-reports
✓ Tussing- West Coast oil surplus	$70,000	$64,479.89	$5,320.11	To 8/31/80	Final report Aug. 31, 1979
AEIDC	$20,000	No billing yet		To 6/30/80 or end of session	Monthly updates & final report October 15, 1979
VanPoollen	$60,000	$29,884.52	$30,115.48	To 12/31/79	Report - now due mid-Sept.
Orth Assoc.	$42,500	$15,937.50	$26,562.50	To June 30 1980	Report due Jan. 15, 1980
WhiteWeld	$125,000	$75,000	---	Ended 6/30/79	First report delivered
Pope	$5,000	$1,654.40		Ended 6/30/79	

(Erickson was project director; no published product resulted)

Birch Update on Birch status in separate memo

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT

Alaska State Legislature

SEN. MIKE COLLETTA CO-CHAIRMAN | REP. BILL MILES CO-CHAIRMAN
SEN. FRANK FERGUSON | REP. C.V. CHATTERTON
SEN. BILL SUMNER | REP. TERRY GARDINER
REP. JOE HAYES | REP. CHARLES PARR
EX-OFFICIO MEMBERS
MR. ROBERT LERESCHE | MR. JACK BACHMAN

727 N ST. SUITE 2
ANCHORAGE, ALASKA 99501
(907) 276-4340

August 30, 1979

Marsha Helton
Special Assistant
Legislative Affairs Agency
Pouch Y
Juneau, Ak. 99811

Dear Marsha,

Enclosed are the originals of the amendments to the Birch contract signed by all the parties except Myrt Charney.

I would appreciate receiving a zerox of the finished contract after Myrt has signed it.

Also would you please inform Pat Costello that with the contract on file, it is now appropriate to pay the already approved billing for $8,000.

By separate mail to Pat, I am sending the monthly statements for hourly fees which Sen. Colletta and Rep.Miles have reviewed. Those statements can now be processed.

Thank you for all your help. Best of luck in your new adventure in North Carolina.

Sincerely,

Mary

Mary Halloran
Research Analyst

cc: Ron Birch
Mike Colletta
Bill Miles

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

AMENDMENT NO. 1 TO CONTRACT BETWEEN

STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY
Pouch Y - State Capitol
Juneau, Alaska 99811

AND

BIRCH, HORTON, BITTNER & MONROE
1127 West Seventh Avenue
Anchorage, Alaska 99501

THE ABOVE PARTIES TO THE CONTRACT dated October 3, 1978, in consideration of the covenants hereinafter contained, hereby mutually agree and amend said contract under the terms and conditions hereinafter set forth:

CLAUSE I - STATEMENT OF WORK

(This clause is amended by adding the following paragraphs, to read:)

(D) The Contractor shall provide analyses to the Project Director on the following issues:

(1) The *ex parte 308* proceedings at FERC, wherein FERC is reviewing oil pipeline rate making policy vis-a-vis the TAPS tariff;

(2) FERC's conditioning costs decision regarding the gas pipeline, including the likely response of the producers, as well as Congressional and Administrative response in Washington;

(3) All policy decisions and statements made by the Department of Energy, and particularly Secretary Schlesinger, relating to federal support for the natural gas pipeline, the North Slope oil exchange, and federal efforts to force the State and the producers to financially support the gas line;

(4) The constitutionality of Northwest pipeline bonds issued by the State;

(5) Possible Alaska royalty oil trading with Israel;

(6) The status of Export Administration Act Amendments relating to the export of North Slope Alaskan oil; and

(7) Periodic developments in Washington, D. C., on the Northwest pipeline.

(E) The Contractor shall make its best efforts to obtain for the Project Director copies of documents from the FOIA appeal which relate to the pipeline until all non-exempt documents relating to the State of Alaska are obtained, and a list of all other documents possessed by the Department of Treasury covering the Alaska Natural Gas Transportation System has been provided.

(F) The Contractor shall prepare an additional study on the Alaska natural gas pipeline: current prospects for federal assistance, and shall submit said study in writing to the Project Director with a copy to the Agency by August 1, 1979. (This study shall hereinafter be referred to as "Additional Study.")

CLAUSE II - PERIOD OF PERFORMANCE

(This clause is amended by amending paragraph (B), adding a new pargraph (C), adjusting the alphabetic labeling of paragraphs (C) and (D), and amending paragraph (D), as follows:)

(B) The Contractor shall deliver the reports referenced in Clause I(A) and described in the annex to this agreement to the Project Director in accordance with the following schedule:

Delivery of Preliminary Report------------1 February 1979
Delivery of Final Report------------------23 April 1979

(C) The Contractor shall deliver the report referenced in Clause I(F) of this agreement to the Project Director in accordance with the following schedule:

Delivery of Additional Study--------------1 August 1979

(D) This agreement may be terminated by either party on written notice to the other.

(E) Unless otherwise terminated or extended, this agreement shall expire on 31 August 1979.

CLAUSE III - COMPENSATION AND METHOD OF PAYMENT

(This clause is amended by adding new paragraphs (A)(7) and (8), and amending paragraph (B), as follows:)

(A) (7) Total payment for work referenced in Clause I(F) shall not exceed $8,000, inclusive of all expenses, which for the work under Clause I(F), shall be the sole responsibility of the Contractor.

(A) (8) Payment for the work referenced in Clause I(F) shall be due and payable to the Contractor in accordance with the following schedule:

On Delivery of:	Amount Due:
Additional Study	$8,000.00

except that in the event the study is delivered late, the payment due on delivery of that report shall be reduced by one and one-half percent (1.5%) for each day elapsing between the due date and the date the report is delivered.

(B) (1) Total payments for the work described in Clause I(B), (C), (D), and (E) of this contract shall not exceed Twenty-Five Thousand Dollars ($25,000.00), inclusive of all reimbursable expenses, and nothing in this agreement shall require the Contractor to render any work or service under Clause I(B), (C), (D), or (E) after Contractor's total billings for this work exceed $25,000.00, inclusive of reimbursable expenses.

(2) Work conducted under Clause I(B), (C), (D), and (E) shall be compensated at the following rates:

Ronald Birch	$90/hour
Bruce Monroe	$90/hour
Mike Spaan	$90/hour
Constance Brooks	$70/hour
Joseph Chomski	$70/hour
Harvey Levine	$70/hour
Richard Haggart	$60/hour

except that charges for any individual consultation or report prepared under Clause I(B) shall not exceed $270.00. Payment for work conducted under Clause I(B), (C), (D), and (E) shall be made by the Agency in response to monthly invoices from the Contractor, approved by the Project Director. These invoices shall note each legislator or legislative staff member requesting work, specify which of the above designated principals or members of Contractor's staff responded to each request, and the time worked by each on each request.

(3) Contractor's travel expenses authorized in advance by the Project Director and in support of the work described in Clause I(B), (C), (D), and (E) shall be reimbursable on the basis of coach class fares, with perdiem payable at prevailing state government rates. Contractor shall be reimbursed for long distance telephone expenses incurred in carrying out the work called for in Clause I(B), (C), (D), and (E). Purchase and reproduction costs of documents or publications obtained for and delivered to the Agency or

individual legislators in support of work under Clause I(B), (C), (D), or (E) shall be reimbursed. Expenses incurred by the Contractor for all goods or services not specifically enumerated in this paragraph shall be the responsibility of the Contractor unless specifically authorized in advance by the Project Director.

CLAUSE V - PROJECT DIRECTOR

(This clause is amended in its entirety as follows:)

The Project Director shall be the Honorable Bill Miles, Alaska State Representative, and the Honorable Mike Colletta, Alaska State Senator, collectively, whose address is 727 "N" Street, Suite 2, Anchorage, Alaska, 99501, or their designees.

THIS AMENDMENT contains all the terms and conditions to the amendment agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this amendment shall be deemed to affect the contract between the parties effective October 3, 1978. All other provisions of the contract between the parties referenced above shall remain in full force and effect.

IN WITNESS WHEREOF, the parties to this amendment have hereinafter set their hands and seals on the dates individually indicated.

BIRCH, HORTON, BITTNER & MONROE
Contractor

Ronald Birch 8/30/79
RONALD BIRCH Date

LEGISLATIVE AFFAIRS AGENCY
Agency

M. R. CHARNEY Date
Executive Director

APPROVED:

Bill Miles 8/30/79
REP. BILL MILES Date
Project Director

APPROVED AS TO FORM:

John B. Chenoweth 8/24/79
for BILLY G. BERRIER Date
Agency Legal Counsel

Mike Colletta
SEN. MIKE COLLETTA Date
Project Director

0577

Joint Gas Pipeline Committee
Alaska State Legislature

SEN. MIKE COLLETTA, CO-CHAIRMAN
REP. BILL MILES, CO-CHAIRMAN
SEN. FRANK FERGUSON
REP. C.V. CHATTERTON
SEN. BILL SUMNER
REP. TERRY GARDINER
REP. JOE HAYES
REP. CHARLES PARR

EX-OFFICIO MEMBERS
MR. ROBERT LERESCHE
MR. JACK BACHMAN

727 N ST., SUITE 2
ANCHORAGE, ALASKA 99501
(907) 276-4340

August 24, 1979

Pat Costello
Legislative Affairs Agency
Pouch Y
Juneau, Ak. 99801

Dear Pat,

Enclosed is an approved billing for $8,000 payable to the Birch law firm for the third report delivered earlier this summer.

When the appropriate contract amendment is finalized and the amended contracts on file with the Legislative Affairs Agency, the billing may be paid. Marsha Helton or I will let you know when the amendments are complete.

Again, thanks for all your help.

Sincerely,

Mary

Mary Halloran
Research Analyst

cc: Marsha Helton
Ron Birch

LAW OFFICES

BIRCH, HORTON, BITTNER AND MONROE

130 SEWARD STREET
JUNEAU, ALASKA 99801
(907) 586-2890

4400 JENIFER ST., N.W., SUITE 300
WASHINGTON, D.C. 20015
(202) 244-4250
TELEX 9-89-2591

1127 WEST SEVENTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 276-1550
TELEX 25-356

1200 AIRPORT HEIGHTS DRIVE, SUITE 520
ANCHORAGE, ALASKA 99504
(907) 279-9501

711 GAFFNEY
FAIRBANKS, ALASKA 99701
(907) 452-1666

STATEMENT

August 14, 1979

The Joint Interim Gas Pipeline Committee
% The Honorable Bill Miles
727 "N" Street, Suite 2
Anchorage, Alaska 99501

FOR PROFESSIONAL SERVICES RENDERED
BIRCH 001547.04

FEES

Third Report June 4 - August 10, 1979	$8,000.00
Total Amount Due	$8,000.00

Approved: BMiles 8/23/79

PLEASE REMIT PAYMENT TO 1127 WEST SEVENTH AVENUE ANCHORAGE, ALASKA 99501

File: Birch

To: Bill
From: Mary MH
August 13, 1979

Re: Birch Contract status

There are currently three parts to the work which the Birch firm is performing for the Joint Gas Pipeline Committee. Each part and the payment status are discussed below.

PART 1 - FLAT FEE for preliminary and final reports on Alaska Gas Pipeline Perspectives--studies of the federal leverage which could be brought to bear on the State.

orig. 35000

The contract allowed $23,334. $15,556 was paid; you authorized payment of the remaining $7,778 last Wednesday and Birch should be receiving the check this week.

O.K.

Amount allowed:	$23,334	
Amount paid:	15,556	
Balance	7,778	- payment authorized & check on the way

PART 2 - HOURLY FEE for miscellaneous requests

The original contract allowed a maximum of $11,667.00 for payment through the hourly fee structure. To date, $9,290.24 has been paid. Also to date Birch has billed a total of $22,242.13. From the perspective of the accountant, the Birch firm has now overbilled $10,575.13 but is owed a maximum of $2,376.76 more under the hourly ceiling specified in the original contract.

to $25,000

Bushshaw $4400.00

The firm understood that an agreement had been reached to raise the hourly ceiling from the original $11,667.00 to $25,000. Unfortunately, no one has an authorizing document on file which leaves the accountant, of course, unable to pay over the original contract amount.

14

In addition, the firm is also carrying on its billing statements previous bills which were disallowed by the then project director Gregg Erickson as inappropriate.

PART 3 - NEW REPORT on "Current Prospects for Federal Assistance" requested by the Joint Gas Pipeline Committee at its June 4 meeting.

Birch estimates a maximum of $8,000 for this report. To cover it, we must do a contract extension as it was done without the benefit of a formal contract.

Pd 32,623,24

Bal 2,376.76

Need

a) Contr. for $8,000.00

b)

WHAT NEEDS TO BE DONE -

1. In regard to the flat fee of $23,334, appropriate action has been taken, Birch should be receiving the check this week for $7,778 and this problem is thus resolved.

2. In regard to the hourly billing, two things need to be done:

   1. A contract amendment should be signed, if the Committee does wish to raise the hourly ceiling amount to $25,000.

   2. The billings submitted by the firm need to be reviewed closely, probably by both yourself and Sen. Colletta, so that everyone is satisfied as to their appropriateness.

3. In regard to the new report, a contract extension of the previous contract needs to be executed to allow for payment of a maximum of $8,000 for the new report which the Legislature has already received.

IMPLICATIONS FOR THE GAS PIPELINE COMMITTEE FUNDS -

The remainder of the flat fee ($7,778) is being paid out of FY 79 funds. In addition, another $2,375.76 is left in FY 79 funds which would have covered the hourly fees under the original contract ceiling. So all hourly fees paid in excess of the original ceiling, a maximum of $13,333.000 if the ceiling is raised to $25,000, must come from FY 80 funding.In addition, the funds for the new report, a maximum of $8,000, must also come from FY 80 funds.

In total, then, the contract changes and additions amount to a maximum of $21,333 in FY 80 funding commitments.

①

$$\begin{array}{r} \cancel{10},\!\overset{9}{}\,\overset{9}{}\,\overset{13}{}\,\overset{9}{}778.00 \\ -\;7,778.00 \\ \hline 2,375.76 \end{array}$$

$$\begin{array}{r} 25,000.00 \\ 11,667.00 \\ \hline 13,333.00 \end{array}$$

① Contract to cover the July ~~31~~ 27, 1979 report "The Ak Nat. Gas Pipeline: Current ~~Prospective~~ Prospects for fed asst"
- retroactive to June 4

② FLAT FEE ~~A~~ - pd. for 1st stage $15,556
7778
$23,334

FLAT FEE B - not paid $7,778.00

~~DID WE GET~~ FINAL → need authorization to pay it

③ HRLY - billed for $17,745.83 +1

max allowed 11,667.00

over billed 6,078.83

pd to date 9,290.24 - OK

[we owe them on maximum allowed 2,376.76]

unpaid carrying forward previously unauthorized payment

plus May hly$ ~~2,112.00~~ $2,261.86

plus June hrly $ 2,234.44]

[ceiling of $25,000

*[no billing for May 1-30, 1979]

NEED - copies of all hrly contracts

no FY 79 money left to cover

FY 79 - $10,153.76 still left

~~6,078.83~~

$$\begin{array}{r} 17,745.83 \\ 2,234.44 \\ 2,261.86 \\ \hline 22,242.13 \end{array}$$

$$\begin{array}{r} 22,242.13 \\ 11,667.00 \\ \hline 10,575.13 \end{array}$$

Contract Between

STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY
Pouch Y
Juneau, Alaska 99811

and

BIRCH, HORTON, BITTNER AND MONROE
733 West Fourth Avenue, Suite 206
Anchorage, Alaska 99501

The parties to this agreement are the LEGISLATIVE AFFAIRS AGENCY, hereinafter referred to as the "Agency", and BIRCH, HORTON, BITTNER AND MONROE, hereinafter referred to as the "Contractor."

THE PURPOSE OF THIS AGREEMENT is to provide specialized professional legal and governmental consulting services in the area of natural gas policy to the Alaska State Legislature.

IT IS, THEREFORE, MUTUALLY AGREED THAT:

CLAUSE I - STATEMENT OF WORK

(A) The Contractor shall analyze and prepare the Preliminary and Final Reports described in the annex to this agreement (which is incorporated herein by reference) and shall deliver the reports to the Project Director in a form suitable for offset printing.

(B) The Contractor shall provide telephone consultations and brief written responses to legislative inquiries related to the subject of Alaska natural gas.

(C) The Contractor shall, on written request of the Project Director, conduct additional specified studies related to Alaska natural gas, and prepare written reports thereon. If requested in writing by the Project Director, the Contractor shall prepare and present testimony to committees of the legislature on the subject matter of these reports, and on those prepared under (A) of this clause.

CLAUSE II - PERIOD OF PERFORMANCE

(A) This agreement shall have retroactive effect to 3 October 1978.

(B) The Contractor shall deliver the reports referenced in Clause I(A) and described in the annex to this agreement to the Project Director in accordance with the following schedule:

Delivery of Preliminary Report------- 31 January 1979
Delivery of Final Report ------------ 15 March 1979

(C) This agreement may be terminated by either party on written notice to the other.

(D) Unless otherwise terminated or extended, this agreement terminates on 30 June 1979.

CLAUSE III - COMPENSATION AND METHOD OF PAYMENT

(A)(1) Total payments for the work referenced in Clause I(A) shall not exceed $23,333, inclusive of all expenses, which, for the work under Clause I(A), shall be the sole responsibility of the Contractor.

(2) Payment for the work referenced in Clause I(A) and described in the contract annex shall be due and payable to the Contractor in accordance with the following schedule:

On Delivery of:	Amount Due
Preliminary Report	$ 15,556
Final Report	$ 7,777

except that in the event a report is delivered late, the payment due on delivery of that report shall be reduced by one and one-half percent (1.5%) for each day elapsing between the due date and the date the report is delivered.

(3) If this agreement is terminated by the Agency before 31 January 1979, then the Contractor is not required to deliver the reports referenced under Clause I(A), although the provisions of Clause IV still apply. In this event, payment due the Contractor for work on those reports shall be determined by multiplying $15,556 times a fraction, the numerator of which is the number of days between 3 October 1978 and the termination date, with the denominator being 120.

(4) If this agreement is terminated by the Agency after 31 January 1979, but before delivery of the Preliminary Report, then the Contractor shall not be required to deliver the Final Report. In this event payment due the Contractor shall be determined by reducing $15,556 by one and one-half percent (1.5%) for each day elapsing between 31 January 1979 and the date the Preliminary Report is actually delivered.

(5) If this agreement is terminated by the Agency after the delivery of the Preliminary Report, but before 15 March 1979, then the Contractor shall not be required to deliver the Final Report. In this event, payment due the Contractor for the work done on the Final Report shall be determined by multiplying $7,777 by a fraction, the numerator of which is the number of days between the date the Preliminary Report was delivered and the termination date, with the denominator being 45.

(6) If this agreement is terminated by the Contractor in accordance with Clause II(C) or under the terms of Clause VI(B), then the Contractor shall receive no payment for any report referenced in Clause I(A) which is not delivered by the termination date.

(B)(1) Total payments for the work described in Clause I(B) and (C) shall not exceed $11,667, inclusive of all reimbursable expenses, and nothing in this agreement shall require the Contractor to render any work or service under Clause I(B) or (C) after Contractor's total billings for this work exceed $11,667, inclusive of reimbursable expenses.

(2) Work conducted under Clause I(B) and (C) shall be compensated at the following rates:

Ronald Birch	$90/hour
Bruce Monroe	$90/hour
Mike Spaan	$90/hour
Constance Brooks	$70/hour
Joseph Chomski	$70/hour
Harvey Levine	$70/hour
Richard Haggart	$60/hour

except that charges for any individual consultation or report prepared under Clause I(B) shall not exceed $270. Payment for work conducted under Clause I(B) and (C) shall be made by the Agency in response to monthly invoices from the Contractor, approved by the Project Director. These invoices shall note each legislator or legislative staff member requesting work, specify which of the above designated principals or members of Contractor's staff responded to each request, and the time worked by each on each request.

(3) Contractor's travel expenses authorized in advance by the Project Director and in support of the work described in Clause I(B) and (C) shall be reimbursed on the basis of coach class fares, with per diem payable at prevailing state government rates. Contractor shall be reimbursed for long distance telephone expenses incurred in carrying out the work called for in Clause I(B) and (C). Purchase and reproduction costs of documents or publications obtained for and delivered to the Agency or individual legislators in support of work under Clause I(B) and (C) shall be reimbursed. Expenses incurred by the Contractor for all goods or services not specifically

enumerated in this paragraph shall be the responsibility of the Contractor unless specifically authorized by the Project Director.

CLAUSE IV - RECORDS, DOCUMENTS AND AUDIT

The Contractor shall maintain accurate and detailed records, in accordance with Agency procedures, of the billable time worked and reimbursable expenses incurred under this contract. The records shall be available for inspection by the Agency at all reasonable times. All documents and writings generated as a consequence of work done under this agreement are the property of the State of Alaska, and shall be delivered to the Agency on termination of the agreement.

CLAUSE V - PROJECT DIRECTOR

The Project Director shall be the Agency's Director of Research, or his designee.

CLAUSE VI - CONFLICT OF INTEREST

(A) Except as described in Contractor's letter to the Agency dated 12 October 1978, Contractor affirms that it and the principals and staff members mentioned by name in Clause III(E) do not represent, own any beneficial interest in, or have any professional business relationship with:

Northern Natural Gas Co.
Northwest Energy Corp.
Panhandle Eastern Pipe Line Co.
Pacific Gas and Electric Co.
Pacific Interstate Transmission Co.
United Gas Pipeline Co.
The Standard Oil Company (Ohio)
British Petroleum
Exxon Corporation
Atlantic Richfield Co.

or any firm or organization holding an interest in natural gas reserves in the Prudhoe Bay Field.

(B) Contractor shall immediately notify the Project Director in writing of any events that would require an amendment of Contractor's letter of 12 October 1978, or otherwise tend to create a conflict of interest. Within ten days of receiving this notification, the Project Director shall, after consultation with the Contractor, notify the Contractor in writing of his determination as to whether or not a conflict of interest exists. If the notification is that, in the opinion of the Project Director, a conflict exists, then the contract shall be deemed to have been terminated by the Contractor in accordance with Clause II(C).

CLAUSE VII - CONFIDENTIALITY OF COMMUNICATIONS

It is contemplated that all work done under this contract will be made public by the legislature. However, all communications between the Agency or the legislature and the Contractor, including the final report, shall be held confidential by the Contractor until released by the Agency or other legislative entity or individual legislator to which they were addressed.

CLAUSE VIII - LOBBYING DISCLAIMER

The Agency and the Contractor agree that the only services to be provided under this contract are the provision of information, analysis, and advice to the legislature; the Contractor is not authorized or permitted under this contract to represent the legislature, its members, committees, or staff agencies before Congress or any other legislative, administrative, or judicial institution. However, nothing in this clause limits the Contractor's rights or responsibilities under any other agreement, or prohibits the giving of testimony to the Alaska legislature when that testimony is properly authorized under Clause I(C).

CLAUSE IX - ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind either of the parties of this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates noted next to their signatures.

BIRCH, HORTON, BITTNER AND MONROE		LEGISLATIVE AFFAIRS AGENCY (By direction of the Executive Director)	
Ronald H. Birch	10/22/78	Gregg K. Erickson	10/16/78
RONALD BIRCH	Date	GREGG K. ERICKSON	Date

Approved as to form.

Billy G. Berrier 10/19/78

AGENCY LEGAL COUNSEL Date

ANNEX

To Contract Between

STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY

And

BIRCH, HORTON, BITTNER AND MONROE

The written reports referenced in Clause I(A) of the agreement consist of a Preliminary Report and a Final Report addressing the subjects listed below. The Final Report shall be an extension of the work in the Preliminary Report, with emphasis on those areas designated by the Project Director for more intensive study or analysis. Both reports shall be organized in three sections, described as below, or in such other manner as may be most effective in covering all the topics noted.

SECTION 1.

This section will address the following specific questions.

(a) To what extent is Alaska's financial participation in the project as described in the President's decision still "expected?"

(b) Is Alaska's financial participation perceived to be a vital element in the project's success?

(c) To what extent are the proposals for state financial participation put forward by Northwest considered "appropriate" avenues of state participation, considered in the context of the President's decision, Congressional findings, and events of the last year?

(d) To what extent has action by the State of Alaska establishing a pipeline bonding authority, as requested by Northwest Pipeline, fulfilled the "obligations" of the state (as perceived by federal policy makers) with respect to financial participation?

(e) To what extent do federal policy makers consider Northwest's proposed utilization of tax exempt revenue bonds, requiring a Congressional amendment to Section 103 of the Internal Revenue Code, an appropriate response by the company to the President's decision and/or the provisions of the Alaska Natural Gas Transportation Act?

(f) What are the prospects for enactment of such an amendment to the Internal Revenue Code?

(g) In the event that the project cannot be financed as currently contemplated by Northwest, which of the following responses by the federal government is most likely?

i) provision of federal loan guarantees;

ii) direct federal financial participation other than in the form of loan guarantees;

iii) voiding of Northwest's franchise in favor of another private sector company;

iv) project abandonment;

v) other response.

SECTION 2.

This section will address the following specific areas:

(a) The background to the President's decision selecting the Northwest proposal, in which Alaska's financial participation was assumed. This will include consideration of the public record covering the decision and particularly those areas of the record to which Alaska contributed.

(b) Where arguments relating to Alaska participation are advanced as the official positions of organizations (for example, the Treasury Department), a detailed examination of the decision-making process that led up to taking that position.

(c) A determination of how and under what circumstances there developed among federal policy makers the apparent perception that Alaska had committed itself to support financially the proposed El Paso system.

(d) An analysis should be made of official and unofficial statements by state officials before Congressional committees or to other national policy makers which might pertain to Alaska's position with respect to construction of the Alaska natural gas transportation system, particularly with reference to those statements bearing on Alaska's responsibilities for management of the Prudhoe Bay reservoir.

SECTION 3.

This section will examine the full spectrum of means the federal government might conceivably use to induce the State of Alaska to contribute its fiscal resources to the construction of the Alaska natural gas transportation system. These means should include both direct and indirect federal actions, and should examine in at least a cursory way all those areas where the federal government exercises or could exercise leverage on the State. Detailed examination should be devoted to those areas where federal action in this context is most likely.

March 12, 1979

Joseph M. Chomski
Birch, Horton, Bittner & Monroe
4400 Jenifer St., N.W. Suite 300
Washington, D.C. 20015

Dear Joe:

Senator Colletta, Representative Miles, and I have discussed your memorandum of February 28 to us concerning future work under your contract with the Agency. In addition, you and I discussed this matter over the telephone today, and concur, along with Messrs. Miles and Colletta, in the following approach for the continuation of your work under the contract.

1. The Agency concurs in your proposed Clause I(A) research tasks numbers 1, 2, 4, and 5 on the first page of your February 28 memorandum. Reports to the legislature on these items should be in memorandum form; in the case of item 5 (FERC interim regulations) we recognize that the complexity of their proposals you will be reviewing will prohibit any detailed analysis. At your suggestion, we additionally request that you address the implications of the recent Carter trip to Canada. In order to focus more effort on the above items, we authorize you to delete from further consideration item 3 on page one and items 6-9 on page two of your February 28 memo.

2. The amended deadline for submission of the final work under Clause I(A) currently is April 1. We concur that an additional extension is appropriate, and therefore further amend the deadline date to April 15, 1979.

3. Your proposals for continued work under Clause I(B) and (C) of the contract (contained on the last half of page two of your February 28 memo) are approved, and this letter constitutes the written request required in Clause I(C).

4. You are also authorized, under Clause I(C), to continue to pursue the administrative appeals of the Treasury Department's denial of our Freedom of Information Act request. We do not at this time contemplate initiating any litigation on this subject, although that might change if you feel the results would justify the very

substantial effort that would apparently be required. In any event, please keep us informed at fairly frequent intervals as to the progress and amount of resources devoted to this follow-up effort.

Once again, please accept my congratulations and thanks for the fine job that you and Dick did on the February 15 report. It has stimulated a good deal of favorable comment in Alaska, and we are most appreciative of the highly professional and well finished piece of work we've received.

Sincerely yours,

Gregg K. Erickson
Director of Research

Endorsed:

Representative Bill Miles

Mike Colletta
Senator Mike Colletta

GKE:dh
cc: Ron Birch

RONALD G. BIRCH •
HAL R. HORTON •
WILLIAM H. BITTNER •
BRUCE MONROE •
SUZANNE C. FESTINGER
LLOYD V. ANDERSON
GREGORY C. TAYLOR
ROD CARMAN
MICHAEL R. SPAAN •
GORDON F. SCHADT
HARVEY A. LEVIN •
JOSEPH M. CHOMSKI •
RONALD NOEL •
CAROL A. JOHNSON
GERALD D. STOLTZ •
MICHAEL J. O'BRIEN
JOSEPH W. EVANS
WINSTON S. BURBANK
E. BUDD SIMPSON
CONSTANCE E. BROOKS •
JAN S. OSTROVSKY
WALLER TAYLOR, III
DOUGLAS J. SERDAHELY •
PAUL H. GRANT
JACK D. CLARK
ANN W. RESCH
GARY FINNELL

• ADMITTED IN D. C.

LAW OFFICES
BIRCH, HORTON, BITTNER AND MONROE
4400 JENIFER ST., N. W. - SUITE 300
WASHINGTON, D. C. 20015
(202) 244-4250
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(907) 279-9501

751 OLD RICHARDSON HWY., SUITE 349
FAIRBANKS, ALASKA 99707
(907) 452-1666

130 SEWARD STREET, SUITE 314
JUNEAU, ALASKA 99801
(907) 586-2890

April 27, 1979

Mr. Gregg K. Erickson
Director of Research
Legislative Affairs Agency
Pouch Y
Juneau, Alaska 99811

Dear Gregg:

Attached please find the memoranda discussed in our letter to you of February 28, and in your response letter of March 12. These memoranda complete the research tasks necessary to convert our February 15, 1979 "Alaska Gas Pipeline Perspective" report into a final report. This should also satisfy the requirements in Clause I(A) of our contract with the Joint Interim Natural Gas Pipeline Committee.

Per your request, we have submitted this research in the form of separate memoranda covering Nos. 1, 2, 4, and 5 of our February 28 letter to you. We have also submitted a memo on the Carter-Trudeau meeting, per your request.

With regard to Paragraph 1 (the obtaining of all remaining pertinent documentation under our Freedom of Information Act request at the Treasury Department), I have the following progress report. We have been supplied with almost all Treasury documents that were initially denied us regarding Alaska's financial participation. Some arrived as late as this afternoon. Much of the information we have gleaned from these documents appears in one of the attached memoranda. Upon receiving all Treasury documentation, which Treasury

promises within the next week, coupled with Treasury's letter describing what they have provided us and the few things they have denied, we will deliver in one package all of these materials to you and the Committee. It is my opinion that an appeal to the courts for the denied documentation from Treasury would not be a judicious expenditure of funds, since I do not believe any worthwhile information was denied, nor am I sure that we would receive relief from the courts for the few things that will not be supplied.

I hope the memoranda below are satisfactory and, as you know, Dick Haggart and I are at your disposal and the disposal of the Committee to answer any questions or expand on any of the points contained. We are continuing to monitor the non-study provisions of our contract with the Committee, as also described in the February 28 letter and confirmed by your response letter. With regard to special informational requests, you have been supplied with a copy of our recent legal opinion on the constitutionality of general obligation bonds for the Northwest Pipeline, which we completed at the request of Representative Bill Miles. We have also begun a shorter study on the law and politics surrounding supplying Alaska oil to Israel, pursuant to a request by Senator Colletta.

I should also like to confirm that the continued work under Clauses 1(B) and (C) coupled with the work we do pursuant to future special requests will be done at the same hourly rate as described in our contract. Per the agreement reached with Senator Colletta and Representative Miles, we shall not exceed a ceiling of $25,000 of hourly expenditures over the commitment made in the October contract.

Once again, we hope the attached memoranda and the general obligation bond opinion are satisfactory to the Committee and yourself.

Warmest personal regards,

BIRCH, HORTON, BITTNER & MONROE

Joe

Joseph M. Chomski

JMC:sac
Encl.
CC: Senator Mike Colletta
Representative Bill Miles
Ronald Birch, Esq.

RONALD G. BIRCH*
HAL R. HORTON*
WILLIAM H. BITTNER*
W. BRUCE MONROE*
SUZANNE C. PESTINGER*
LLOYD V. ANDERSON*
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GARY J. FINNELL
PAUL H. GRANT
NANCY J. SHAW
PATRICK H. OWEN
PERCY R. LUNEY*
DANIEL W. WESTERBURG

*ADMITTED IN D.C.

LAW OFFICES
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(907) 586-2890

711 GAFFNEY ROAD
FAIRBANKS, ALASKA 99701
(907) 452-1666

July 6, 1979

The Honorable Bill Miles
Joint Interim Gas Pipeline Committee
1016 West Sixth Avenue, Suite 435
Anchorage, AK 99501

Dear Bill:

Thank you for your letter of June 20, 1979. The additional work assigned to us by the Committee at its June 4th meeting should not exceed $8,000 in cost. The work will be billed at the hourly rate previously agreed to and specified in our existing contract.

The work will cover the matters delineated at the meeting of June 4th, exploring the current and future prospects for federal participation in the gas pipeline project.

Yours very truly,

BIRCH, HORTON, BITTNER & MONROE

Ron Birch

Ronald G. Birch

RGB/mbr
CC: The Honorable Mike Colletta
Joseph M. Chomski, Esquire

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(907) 452-1666

July 20, 1979

The Honorable Bill Miles
Joint Interim Natural Gas Pipeline
Committee
1016 W. 6th Avenue, Suite 435
Anchorage, Alaska 99501

Dear Bill:

I am writing to clarify a problem that Mary Halloran has reminded us of regarding budgeting for our work for the JIPC from the period of last April through the beginning of 1980. I think with the summary below, we can resolve the uncertainty.

In October, 1978, the JIPC contracted with our firm for a report on the State's existing financial commitment to the pipeline and ways the federal government could impose a financial commitment, and for ongoing research services on an individual request basis. The contract provided $35,000 (inclusive of costs), two-thirds to the report and the other one-third to the individual research. It is the last third of that contract, and the offshoots from that third which raise the problem.

The last third was actively used for ongoing research requests made by members of the Committee and individual assignments we were asked to prepare. It was to be completed at the hourly rate specified in the contract. By around March 1, we finished the report and also had exhausted the limits of the hourly retainer. At that time, additional work to be done for the Committee was suggested by Gregg Erickson and by us, and the need for additional future work was confirmed by both yourself and Senator Colletta. I have attached a March 12, 1979 letter confirming that. Ron Birch advanced a proposal to the Committee that a ceiling on our hourly work of $25,000 above the commitment made in the October contract would cover what we estimated to be the level of work we would be requested to do in the next year. A letter confirming that was circulated to Senator Colletta and yourself for signature. While we received verbal confirmation that said letter had been signed, it apparently now cannot be unearthed. I note to you my April 27, 1979 letter (attached) to Gregg Erickson, copied to you and Senator Colletta, in which the second to last paragraph contains a sentence stating "Per the agreement reached with Senator Colletta and Representative Miles, we shall not exceed the ceiling of $25,000 of hourly expenditures over the commitment we made in the October contract."

As our recent bills will reflect, assignments we have received since mid-March that have been completed under the hourly portion of the contract have used up approximately one-half of the additional $25,000 ceiling. Among the research products we have provided pursuant to requests are our reports on the constitutionality of Northwest pipeline bonds issued by the State, possible Alaska royalty oil trading with Israel, the status of Export Administration Act Amendments relating to export of North Slope Alaskan oil, and our periodic updates on Northwest pipeline developments in Washington. Assuming that future requests for information under the hourly portion of the contract continue at the same rate as during the last several months, our estimate of a $25,000 ceiling for this work should be right on the nose.

At the June 4 JIPC meeting, a separate request for a study essentially updating our major report on Northwest pipeline financing was made to Ron Birch. Ron was asked to estimate the cost of such a study and stated that it would not cost more than $8,000. We have completed the study and shall be mailing it to the Committee within a few days. We have delayed sending it only to add some analysis of the impact that President Carter's recent energy initiatives may have on the future of the Alaska Natural Gas Pipeline and the State's financial commitment. It will still arrive well before the August 15 due date. A confirming letter from Ron to you on the pipeline financing report update is also attached. As you can see, the Birch letter was written two weeks ago. I asked Ron to forward that letter to me so that we could submit all of this material in one shot, and hopefully clarify this matter once and for all.

Please call if there are any further questions. We will gladly answer any questions or help out wherever possible. I believe you will find the updated pipeline financing report to be quite interesting.

Warmest personal regards,

BIRCH, HORTON, BITTNER & MONROE

Joseph M. Chomski

JMC:sac

Encls.

CC: Hon. Mike Colletta
Ms. Mary Halloran
Ronald G. Birch, Esq.

RONALD G. BIRCH*
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July 6, 1979

The Honorable Bill Miles
Joint Interim Gas Pipeline Committee
1016 West Sixth Avenue, Suite 435
Anchorage, AK 99501

Dear Bill:

Thank you for your letter of June 20, 1979. The additional work assigned to us by the Committee at its June 4th meeting should not exceed $8,000 in cost. The work will be billed at the hourly rate previously agreed to and specified in our existing contract.

The work will cover the matters delineated at the meeting of June 4th, exploring the current and future prospects for federal participation in the gas pipeline project.

Yours very truly,

BIRCH, HORTON, BITTNER & MONROE

Ron Birch

Ronald G. Birch

RGB/mbr
CC: The Honorable Mike Colletta
Joseph M. Chomski, Esquire

RONALD G. BIRCH •
HAL R. HORTON •
WILLIAM H. BITTNER •
BRUCE MONROE •
SUZANNE C. F[illegible]TINGER
LLOYD V. ANDE[illegible]SON
GREGORY C. TAYLOR
ROD CARMAN
MICHAEL R. SPAAN •
GORDON F. SCHADT
HARVEY A. LEVIN •
JOSEPH M. CHOMSKI •
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JAN S. OSTROVSKY
WALLER TAYLOR, III
DOUGLAS J. SERDAHELY •
PAUL H. GRANT
JACK D. CLARK
ANN W. RESCH
GARY FINNELL

• ADMITTED IN D.C.

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(907) 586-2890

April 27, 1979

Mr. Gregg K. Erickson
Director of Research
Legislative Affairs Agency
Pouch Y
Juneau, Alaska 99811

Dear Gregg:

Attached please find the memoranda discussed in our letter to you of February 28, and in your response letter of March 12. These memoranda complete the research tasks necessary to convert our February 15, 1979 "Alaska Gas Pipeline Perspective" report into a final report. This should also satisfy the requirements in Clause I(A) of our contract with the Joint Interim Natural Gas Pipeline Committee.

Per your request, we have submitted this research in the form of separate memoranda covering Nos. 1, 2, 4, and 5 of our February 28 letter to you. We have also submitted a memo on the Carter-Trudeau meeting, per your request.

With regard to Paragraph 1 (the obtaining of all remaining pertinent documentation under our Freedom of Information Act request at the Treasury Department), I have the following progress report. We have been supplied with almost all Treasury documents that were initially denied us regarding Alaska's financial participation. Some arrived as late as this afternoon. Much of the information we have gleaned from these documents appears in one of the attached memoranda. Upon receiving all Treasury documentation, which Treasury

promises within the next week, coupled with Treasury's letter describing what they have provided us and the few things they have denied, we will deliver in one package all of these materials to you and the Committee. It is my opinion that an appeal to the courts for the denied documentation from Treasury would not be a judicious expenditure of funds, since I do not believe any worthwhile information was denied, nor am I sure that we would receive relief from the courts for the few things that will not be supplied.

I hope the memoranda below are satisfactory and, as you know, Dick Haggart and I are at your disposal and the disposal of the Committee to answer any questions or expand on any of the points contained. We are continuing to monitor the non-study provisions of our contract with the Committee, as also described in the February 28 letter and confirmed by your response letter. With regard to special informational requests, you have been supplied with a copy of our recent legal opinion on the constitutionality of general obligation bonds for the Northwest Pipeline, which we completed at the request of Representative Bill Miles. We have also begun a shorter study on the law and politics surrounding supplying Alaska oil to Israel, pursuant to a request by Senator Colletta.

I should also like to confirm that the continued work under Clauses 1(B) and (C) coupled with the work we do pursuant to future special requests will be done at the same hourly rate as described in our contract. Per the agreement reached with Senator Colletta and Representative Miles, we shall not exceed a ceiling of $25,000 of hourly expenditures over the commitment made in the October contract.

Once again, we hope the attached memoranda and the general obligation bond opinion are satisfactory to the Committee and yourself.

Warmest personal regards,

BIRCH, HORTON, BITTNER & MONROE

Joe

Joseph M. Chomski

JMC:sac
Encl.
CC: Senator Mike Colletta
Representative Bill Miles
Ronald Birch, Esq.

March 12, 1979

Joseph M. Chomski
Birch, Horton, Bittner & Monroe
4400 Jenifer St., N.W. Suite 300
Washington, D.C. 20015

Dear Joe:

Senator Colletta, Representative Miles, and I have discussed your memorandum of February 28 to us concerning future work under your contract with the Agency. In addition, you and I discussed this matter over the telephone today, and concur, along with Messrs. Miles and Colletta, in the following approach for the continuation of your work under the contract.

1. The Agency concurs in your proposed Clause I(A) research tasks numbers 1, 2, 4, and 5 on the first page of your February 28 memorandum. Reports to the legislature on these items should be in memorandum form; in the case of item 5 (FERC interim regulations) we recognize that the complexity of their proposals you will be reviewing will prohibit any detailed analysis. At your suggestion, we additionally request that you address the implications of the recent Carter trip to Canada. In order to focus more effort on the above items, we authorize you to delete from further consideration item 3 on page one and items 6-9 on page two of your February 28 memo.

2. The amended deadline for submission of the final work under Clause I(A) currently is April 1. We concur that an additional extension is appropriate, and therefore further amend the deadline date to April 15, 1979.

3. Your proposals for continued work under Clause I(B) and (C) of the contract (contained on the last half of page two of your February 28 memo) are approved, and this letter constitutes the written request required in Clause I(C).

4. You are also authorized, under Clause I(C), to continue to pursue the administrative appeals of the Treasury Department's denial of our Freedom of Information Act request. We do not at this time contemplate initiating any litigation on this subject, although that might change if you feel the results would justify the very

substantial effort that would apparently be required. In any event, please keep us informed at fairly frequent intervals as to the progress and amount of resources devoted to this follow-up effort.

Once again, please accept my congratulations and thanks for the fine job that you and Dick did on the February 15 report. It has stimulated a good deal of favorable comment in Alaska, and we are most appreciative of the highly professional and well finished piece of work we've received.

Sincerely yours,

Gregg K. Erickson
Director of Research

Endorsed:

Representative Bill Miles

Mike Colletta

Senator Mike Colletta

GKE:dh
cc: Ron Birch

LAW OFFICES

BIRCH, HORTON, BITTNER AND MONROE

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(907) 279-9501

711 GAFFNEY
FAIRBANKS, ALASKA 99701
(907) 452-1666

STATEMENT

The Joint Interim Gas Pipeline Committee
c/o Honorable Bill Miles
727 "N" Street, Suite 2
Anchorage, Alaska 99501

July 24, 1979

FOR PROFESSIONAL SERVICES RENDERED:
BIRCH 001547.02

Balance Forward	$3,888.50
Total Amount Due	$3,888.50

Study II

Total Amt $ 11,666.50
Paid CK# 893747 (7,778.00)
3/8/79
Amt. Still Owing $ 3888.50

C
3,888.50+
3,888.50+
002 7,777.00 *

Total amt due
Study I & II

PLEASE REMIT PAYMENT TO 1127 WEST SEVENTH AVENUE ANCHORAGE, ALASKA 99501

130 SEWARD STREET
JUNEAU, ALASKA 99801
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STATEMENT

The Joint Interim Gas Pipeline Committee
c/o Honorable Bill Miles
727 "N" Street, Suite 2
Anchorage, Alaska 99501

July 24, 1979

FOR PROFESSIONAL SERVICES RENDERED:
BIRCH 001547.01

Balance Forward	$3,888.50
Total Amount Due	$3,888.50

Study I

Total Amount	$11,666.50
Paid Ck# 893747 3/8/79	(7,778.00)
Amt. Still Owing	$3888.50

PLEASE REMIT PAYMENT TO 1127 WEST SEVENTH AVENUE ANCHORAGE, ALASKA 99501

LAW OFFICES

BIRCH, HORTON, BITTNER AND MONROE, INC.

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*NOT ADMITTED IN ALASKA

October 24, 1978

Mr. Gregg K. Erickson
Director of Research
State of Alaska
Legislative Affairs Agency
Pouch Y
Juneau, Alaska 99811

Dear Gregg:

Attached please find an executed copy of the contract.

We look forward to working with you.

With best wishes,

Cordially,

BIRCH, HORTON, BITTNER & MONROE

Ronald G. Birch

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

October 16, 1978

OCT 1978
Received
Birch, Horton
Bittner & Monroe,
Inc.

Mr. Ronald Birch, Esq.
Birch, Horton, Bittner and Monroe
733 West Fourth Avenue
Suite 206
Anchorage, Alaska 99501

Dear Ron:

In accordance with Clause V of the contract we executed on October 16, 1978, effective the date of this letter I have designated The Honorable Bill Miles, Chairman, State Energy Policy Committee, 629 L Street, Anchorage, Alaska 99501, as project director.

Please send a copy of all notifications and formal communications under this contract to me.

Sincerely yours,

Gregg K. Erickson

Gregg K. Erickson
Director of Research

GKE:jm

cc: The Honorable Bill Miles

Contract Between

STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY
Pouch Y
Juneau, Alaska 99811

and

BIRCH, HORTON, BITTNER AND MONROE
733 West Fourth Avenue, Suite 206
Anchorage, Alaska 99501

The parties to this agreement are the LEGISLATIVE AFFAIRS AGENCY, hereinafter referred to as the "Agency", and BIRCH, HORTON, BITTNER AND MONROE, hereinafter referred to as the "Contractor."

THE PURPOSE OF THIS AGREEMENT is to provide specialized professional legal and governmental consulting services in the area of natural gas policy to the Alaska State Legislature.

IT IS, THEREFORE, MUTUALLY AGREED THAT:

CLAUSE I - STATEMENT OF WORK

(A) The Contractor shall analyze and prepare the Preliminary and Final Reports described in the annex to this agreement (which is incorporated herein by reference) and shall deliver the reports to the Project Director in a form suitable for offset printing.

(B) The Contractor shall provide telephone consultations and brief written responses to legislative inquiries related to the subject of Alaska natural gas.

(C) The Contractor shall, on written request of the Project Director, conduct additional specified studies related to Alaska natural gas, and prepare written reports thereon. If requested in writing by the Project Director, the Contractor shall prepare and present testimony to committees of the legislature on the subject matter of these reports, and on those prepared under (A) of this clause.

CLAUSE II - PERIOD OF PERFORMANCE

(A) This agreement shall have retroactive effect to 3 October 1978.

(B) The Contractor shall deliver the reports referenced in Clause I(A) and described in the annex to this agreement to the Project Director in accordance with the following schedule:

Delivery of Preliminary Report------- 31 January 1979
Delivery of Final Report ------------ 15 March 1979

(C) This agreement may be terminated by either party on written notice to the other.

(D) Unless otherwise terminated or extended, this agreement terminates on 30 June 1979.

CLAUSE III - COMPENSATION AND METHOD OF PAYMENT

(A)(1) Total payments for the work referenced in Clause I(A) shall not exceed $23,333, inclusive of all expenses, which, for the work under Clause I(A), shall be the sole responsibility of the Contractor.

(2) Payment for the work referenced in Clause I(A) and described in the contract annex shall be due and payable to the Contractor in accordance with the following schedule:

On Delivery of:	Amount Due
Preliminary Report	$ 15,556
Final Report	$ 7,777

except that in the event a report is delivered late, the payment due on delivery of that report shall be reduced by one and one-half percent (1.5%) for each day elapsing between the due date and the date the report is delivered.

(3) If this agreement is terminated by the Agency before 31 January 1979, then the Contractor is not required to deliver the reports referenced under Clause I(A), although the provisions of Clause IV still apply. In this event, payment due the Contractor for work on those reports shall be determined by multiplying $15,556 times a fraction, the numerator of which is the number of days between 3 October 1978 and the termination date, with the denominator being 120.

(4) If this agreement is terminated by the Agency after 31 January 1979, but before delivery of the Preliminary Report, then the Contractor shall not be required to deliver the Final Report. In this event payment due the Contractor shall be determined by reducing $15,556 by one and one-half percent (1.5%) for each day elapsing between 31 January 1979 and the date the Preliminary Report is actually delivered.

(5) If this agreement is terminated by the Agency after the delivery of the Preliminary Report, but before 15 March 1979, then the Contractor shall not be required to deliver the Final Report. In this event, payment due the Contractor for the work done on the Final Report shall be determined by multiplying $7,777 by a fraction, the numerator of which is the number of days between the date the Preliminary Report was delivered and the termination date, with the denominator being 45.

(6) If this agreement is terminated by the Contractor in accordance with Clause II(C) or under the terms of Clause VI(B), then the Contractor shall receive no payment for any report referenced in Clause I(A) which is not delivered by the termination date.

(B)(1) Total payments for the work described in Clause I(B) and (C) shall not exceed $11,667, inclusive of all reimbursable expenses, and nothing in this agreement shall require the Contractor to render any work or service under Clause I(B) or (C) after Contractor's total billings for this work exceed $11,667, inclusive of reimbursable expenses.

(2) Work conducted under Clause I(B) and (C) shall be compensated at the following rates:

Ronald Birch	$90/hour
Bruce Monroe	$90/hour
Mike Spaan	$90/hour
Constance Brooks	$70/hour
Joseph Chomski	$70/hour
Harvey Levine	$70/hour
Richard Haggart	$60/hour

except that charges for any individual consultation or report prepared under Clause I(B) shall not exceed $270. Payment for work conducted under Clause I(B) and (C) shall be made by the Agency in response to monthly invoices from the Contractor, approved by the Project Director. These invoices shall note each legislator or legislative staff member requesting work, specify which of the above designated principals or members of Contractor's staff responded to each request, and the time worked by each on each request.

(3) Contractor's travel expenses authorized in advance by the Project Director and in support of the work described in Clause I(B) and (C) shall be reimbursed on the basis of coach class fares, with per diem payable at prevailing state government rates. Contractor shall be reimbursed for long distance telephone expenses incurred in carrying out the work called for in Clause I(B) and (C). Purchase and reproduction costs of documents or publications obtained for and delivered to the Agency or individual legislators in support of work under Clause I(B) and (C) shall be reimbursed. Expenses incurred by the Contractor for all goods or services not specifically

enumerated in this paragraph shall be the responsibility of the Contractor unless specifically authorized by the Project Director.

CLAUSE IV - RECORDS, DOCUMENTS AND AUDIT

The Contractor shall maintain accurate and detailed records, in accordance with Agency procedures, of the billable time worked and reimbursable expenses incurred under this contract. The records shall be available for inspection by the Agency at all reasonable times. All documents and writings generated as a consequence of work done under this agreement are the property of the State of Alaska, and shall be delivered to the Agency on termination of the agreement.

CLAUSE V - PROJECT DIRECTOR

The Project Director shall be the Agency's Director of Research, or his designee.

CLAUSE VI - CONFLICT OF INTEREST

(A) Except as described in Contractor's letter to the Agency dated 12 October 1978, Contractor affirms that it and the principals and staff members mentioned by name in Clause III(E) do not represent, own any beneficial interest in, or have any professional business relationship with:

Northern Natural Gas Co.
Northwest Energy Corp.
Panhandle Eastern Pipe Line Co.
Pacific Gas and Electric Co.
Pacific Interstate Transmission Co.
United Gas Pipeline Co.
The Standard Oil Company (Ohio)
British Petroleum
Exxon Corporation
Atlantic Richfield Co.

or any firm or organization holding an interest in natural gas reserves in the Prudhoe Bay Field.

(B) Contractor shall immediately notify the Project Director in writing of any events that would require an amendment of Contractor's letter of 12 October 1978, or otherwise tend to create a conflict of interest. Within ten days of receiving this notification, the Project Director shall, after consultation with the Contractor, notify the Contractor in writing of his determination as to whether or not a conflict of interest exists. If the notification is that, in the opinion of the Project Director, a conflict exists, then the contract shall be deemed to have been terminated by the Contractor in accordance with Clause II(C).

CLAUSE VII - CONFIDENTIALITY OF COMMUNICATIONS

It is contemplated that all work done under this contract will be made public by the legislature. However, all communications between the Agency or the legislature and the Contractor, including the final report, shall be held confidential by the Contractor until released by the Agency or other legislative entity or individual legislator to which they were addressed.

CLAUSE VIII - LOBBYING DISCLAIMER

The Agency and the Contractor agree that the only services to be provided under this contract are the provision of information, analysis, and advice to the legislature; the Contractor is not authorized or permitted under this contract to represent the legislature, its members, committees, or staff agencies before Congress or any other legislative, administrative, or judicial institution. However, nothing in this clause limits the Contractor's rights or responsibilities under any other agreement, or prohibits the giving of testimony to the Alaska legislature when that testimony is properly authorized under Clause I(C).

CLAUSE IX - ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind either of the parties of this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates noted next to their signatures.

BIRCH, HORTON, BITTNER AND MONROE		LEGISLATIVE AFFAIRS AGENCY (By direction of the Executive Director)	
RONALD BIRCH	Date	GREGG K. ERICKSON	10/16/7[illegible] Date

Approved as to Form.

AGENCY LEGAL COUNSEL — 10/19/7[illegible] Date

ANNEX

To Contract Between

STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY

And

BIRCH, HORTON, BITTNER AND MONROE

The written reports referenced in Clause I(A) of the agreement consist of a Preliminary Report and a Final Report addressing the subjects listed below. The Final Report shall be an extension of the work in the Preliminary Report, with emphasis on those areas designated by the Project Director for more intensive study or analysis. Both reports shall be organized in three sections, described as below, or in such other manner as may be most effective in covering all the topics noted.

SECTION 1.

This section will address the following specific questions.

(a) To what extent is Alaska's financial participation in the project as described in the President's decision still "expected?"

(b) Is Alaska's financial participation perceived to be a vital element in the project's success?

(c) To what extent are the proposals for state financial participation put forward by Northwest considered "appropriate" avenues of state participation, considered in the context of the President's decision, Congressional findings, and events of the last year?

(d) To what extent has action by the State of Alaska establishing a pipeline bonding authority, as requested by Northwest Pipeline, fulfilled the "obligations" of the state (as perceived by federal policy makers) with respect to financial participation?

(e) To what extent do federal policy makers consider Northwest's proposed utilization of tax exempt revenue bonds, requiring a Congressional amendment to Section 103 of the Internal Revenue Code, an appropriate response by the company to the President's decision and/or the provisions of the Alaska Natural Gas Transportation Act?

(f) What are the prospects for enactment of such an amendment to the Internal Revenue Code?

(g) In the event that the project cannot be financed as currently contemplated by Northwest, which of the following responses by the federal government is most likely?

   i) provision of federal loan guarantees;

   ii) direct federal financial participation other than in the form of loan guarantees;

   iii) voiding of Northwest's franchise in favor of another private sector company;

   iv) project abandonment;

   v) other response.

SECTION 2.

This section will address the following specific areas:

(a) The background to the President's decision selecting the Northwest proposal, in which Alaska's financial participation was assumed. This will include consideration of the public record covering the decision and particularly those areas of the record to which Alaska contributed.

(b) Where arguments relating to Alaska participation are advanced as the official positions of organizations (for example, the Treasury Department), a detailed examination of the decision-making process that led up to taking that position.

(c) A determination of how and under what circumstances there developed among federal policy makers the apparent perception that Alaska had committed itself to support financially the proposed El Paso system.

(d) An analysis should be made of official and unofficial statements by state officials before Congressional committees or to other national policy makers which might pertain to Alaska's position with respect to construction of the Alaska natural gas transportation system, particularly with reference to those statements bearing on Alaska's responsibilities for management of the Prudhoe Bay reservoir.

SECTION 3.

This section will examine the full spectrum of means the federal government might conceivably use to induce the State of Alaska to contribute its fiscal resources to the construction of the Alaska natural gas transportation system. These means should include both direct and indirect federal actions, and should examine in at least a cursory way all those areas where the federal government exercises or could exercise leverage on the State. Detailed examination should be devoted to those areas where federal action in this context is most likely.

RONALD G. BIRCH
HAL R. HORTON
WILLIAM H. BITTNER
SUZANNE CHEROT PESTINGER
LLOYD V. ANDERSON
BRUCE MONROE
GREGORY C. TAYLOR
ROD CARMAN
MICHAEL R. SPAAN
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E. BUDD SIMPSON
JAN SAMUEL OSTROVSKY
CONSTANCE E. BROOKS*
JACK D. CLARK
GARY J. FINNELL
PAUL H. GRANT
DOUGLAS J. SERDAHELY
NANCY J. SHAW
PATRICK H. OWEN
MICHAEL C. GERAGHTY
PERCY R. LUNEY*

LAW OFFICES
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(907) 586-2890
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WASHINGTON, D.C. 20015
(202) 244-4250
TELEX 9-89-2591

*NOT ADMITTED IN ALASKA

August 6,1979

Ms. Mary Holloran
in care of
The Honorable Bill Miles
Health Resources
Pouch B
Juneau, Alaska 99811

Dear Mary:

As per our phone conversation of today, please find enclosed a copy of the executed contract for the Joint Interim Pipeline Committee contract work. See page two for the compensation agreement.

As I mentioned our work was delivered timely and we would appreciate greatly receiving payment. I will call you again on Thursday of this week in case there may be any other information needed.

Thanks for your help.

Yours Truly,

BIRCH,HORTON,BITTNER AND MONROE,INC.

Jan D. Shafer

Jan D. Shafer, Comptroller

JDS:wm

Enclos:one

LAW OFFICES

RONALD G. BIRCH
HAL R. HORTON
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*NOT ADMITTED IN ALASKA

August 9, 1979

Ms. Pat Costello
Ms. Marcia Helton

Dear Pat and Marcia:

(1) Please find enclosed the copies of letters referencing the increase of $25,000 plus costs above the original contract and also the separate study of $8,000.

(2) I have also enclosed a copy of the May 1 through May 31 billing.

(3) Upon checking on the travel costs found on the October through December billings, I will make an itemized listing and forward it on to you at a later date.

Thank you for your help and please give me a call if more information is needed.

Yours Truly,
BIRCH,HORTON,BITTNER AND MONROE,INC.
Jan D. Shafer,Comptroller

Jan D. Shafer

JDS:wm

Enclosures: four letters
June Statement w/May Time

March 12, 1979

Joseph M. Chomski
Birch, Horton, Bittner & Monroe
4400 Jenifer St., N.W. Suite 300
Washington, D.C. 20015

Dear Joe:

Senator Colletta, Representative Miles, and I have discussed your memorandum of February 28 to us concerning future work under your contract with the Agency. In addition, you and I discussed this matter over the telephone today, and concur, along with Messrs. Miles and Colletta, in the following approach for the continuation of your work under the contract.

1. The Agency concurs in your proposed Clause I(A) research tasks numbers 1, 2, 4, and 5 on the first page of your February 28 memorandum. Reports to the legislature on these items should be in memorandum form; in the case of item 5 (FERC interim regulations) we recognize that the complexity of their proposals you will be reviewing will prohibit any detailed analysis. At your suggestion, we additionally request that you address the implications of the recent Carter trip to Canada. In order to focus more effort on the above items, we authorize you to delete from further consideration item 3 on page one and items 6-9 on page two of your February 28 memo.

2. The amended deadline for submission of the final work under Clause I(A) currently is April 1. We concur that an additional extension is appropriate, and therefore further amend the deadline date to April 15, 1979.

3. Your proposals for continued work under Clause I(B) and (C) of the contract (contained on the last half of page two of your February 28 memo) are approved, and this letter constitutes the written request required in Clause I(C).

4. You are also authorized, under Clause I(C), to continue to pursue the administrative appeals of the Treasury Department's denial of our Freedom of Information Act request. We do not at this time contemplate initiating any litigation on this subject, although that might change if you feel the results would justify the very

substantial effort that would apparently be required. In any event, please keep us informed at fairly frequent intervals as to the progress and amount of resources devoted to this follow-up effort.

Once again, please accept my congratulations and thanks for the fine job that you and Dick did on the February 15 report. It has stimulated a good deal of favorable comment in Alaska, and we are most appreciative of the highly professional and well finished piece of work we've received.

Sincerely yours,

Gregg K. Erickson
Director of Research

Endorsed:

Representative Bill Miles

Mike Colletta
Senator Mike Colletta

GKE:dh
cc: Ron Birch

LAW OFFICES

BIRCH, HORTON, BITTNER AND MONROE

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WALLER TAYLOR, III
DOUGLAS J. SERDAHELY •
PAUL H. GRANT
JACK D. CLARK
ANN W. RESCH
GARY FINNELL

• ADMITTED IN D. C.

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JUNEAU, ALASKA 99801
(907) 586-2890

April 27, 1979

Mr. Gregg K. Erickson
Director of Research
Legislative Affairs Agency
Pouch Y
Juneau, Alaska 99811

Dear Gregg:

Attached please find the memoranda discussed in our letter to you of February 28, and in your response letter of March 12. These memoranda complete the research tasks necessary to convert our February 15, 1979 "Alaska Gas Pipeline Perspective" report into a final report. This should also satisfy the requirements in Clause I(A) of our contract with the Joint Interim Natural Gas Pipeline Committee.

Per your request, we have submitted this research in the form of separate memoranda covering Nos. 1, 2, 4, and 5 of our February 28 letter to you. We have also submitted a memo on the Carter-Trudeau meeting, per your request.

With regard to Paragraph 1 (the obtaining of all remaining pertinent documentation under our Freedom of Information Act request at the Treasury Department), I have the following progress report. We have been supplied with almost all Treasury documents that were initially denied us regarding Alaska's financial participation. Some arrived as late as this afternoon. Much of the information we have gleaned from these documents appears in one of the attached memoranda. Upon receiving all Treasury documentation, which Treasury

promises within the next week, coupled with Treasury's letter describing what they have provided us and the few things they have denied, we will deliver in one package all of these materials to you and the Committee. It is my opinion that an appeal to the courts for the denied documentation from Treasury would not be a judicious expenditure of funds, since I do not believe any worthwhile information was denied, nor am I sure that we would receive relief from the courts for the few things that will not be supplied.

I hope the memoranda below are satisfactory and, as you know, Dick Haggart and I are at your disposal and the disposal of the Committee to answer any questions or expand on any of the points contained. We are continuing to monitor the non-study provisions of our contract with the Committee, as also described in the February 28 letter and confirmed by your response letter. With regard to special informational requests, you have been supplied with a copy of our recent legal opinion on the constitutionality of general obligation bonds for the Northwest Pipeline, which we completed at the request of Representative Bill Miles. We have also begun a shorter study on the law and politics surrounding supplying Alaska oil to Israel, pursuant to a request by Senator Colletta.

I should also like to confirm that the continued work under Clauses 1(B) and (C) coupled with the work we do pursuant to future special requests will be done at the same hourly rate as described in our contract. Per the agreement reached with Senator Colletta and Representative Miles, we shall not exceed a ceiling of $25,000 of hourly expenditures over the commitment made in the October contract.

Once again, we hope the attached memoranda and the general obligation bond opinion are satisfactory to the Committee and yourself.

Warmest personal regards,

BIRCH, HORTON, BITTNER & MONROE

Joe

Joseph M. Chomski

JMC:sac
Encl.
CC: Senator Mike Colletta
Representative Bill Miles
Ronald Birch, Esq.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

August 13, 1979

Jan D. Shafer, Comptroller
BIRCH, HORTON, BITTNER & MONROE
1127 West Seventh Avenue
Anchorage, Alaska 99501

Dear Jan:

I am forwarding a copy of Joe's letter of July 20, 1979, addressed to Rep. Bill Miles, today to Mary Halloran. The letter copy has been prepared for approval or rejection by Rep. Miles and Sen. Colletta as an amendment to the contract, and hopefully, this will end the funding question. I will provide you with a copy of the signed authorization when it is returned from the committee. It is a pity that this confusion has taken up so much of everyone's time, but as you know, proper accounting requires supporting documents of some type.

Along those lines, I understand that Pat Costello will be requesting documentation for travel expenses claimed. Please expedite those receipts, etc., so that payment can be made on the contract.

If you have any questions, please write or call me at 465-3802. Kindly relay my best wishes to the BHBM group.

Very truly yours,

Marsha

Marsha A. Helton
Special Assistant to the
Executive Director

MAH:tim

cc: Joint Interim Gas Pipeline
Financing Committee

Contract between

THE JOINT INTERIM GAS PIPELINE COMMITTEE
727 "N" Street, Suite 2
Anchorage, AK 99501

and

BIRCH, HORTON, BITTNER & MONROE
1127 W. Seventh Avenue
Anchorage, AK 99501

The parties to this Agreement are the Joint Interim Pipeline Committee, hereinafter referred to as "JIPC" and Birch, Horton, Bittner & Monroe, P.C., hereinafter referred to as "Contractor."

The purpose of this Agreement is to provide specialized professional, legal and governmental services in the area of natural gas policy to the Alaska State Legislature. It is therefore mutually agreed that:

CLAUSE I - STATEMENT OF WORK

(a) The Contractor shall analyze and prepare a report to the JIPC updating the previous reports on Northwest Pipeline financing.

CLAUSE II - PERIOD OF PERFORMANCE

(a) This Agreement shall have retroactive effect to June 4, 1979.

CLAUSE III - COMPENSATION

(a) Total compensation for the work referenced in Clause I shall be in the amount of $8,000 inclusive of all expenses.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates noted below their signatures.

BIRCH, HORTON, BITTNER & MONROE	THE JOINT INTERIM GAS PIPELINE COMMITTEE
BY: Ronald G. Birch	BY: ____
Ronald G. Birch	Senator Mike Colletta
Date: 8/14/79	Date: ____
	BY: ____
	Representative Bill Miles
	Date: ____

Contract between

THE JOINT INTERIM GAS PIPELINE COMMITTEE
727 "N" Street, Suite 2
Anchorage, AK 99501

and

BIRCH, HORTON, BITTNER & MONROE
1127 W. Seventh Avenue
Anchorage, AK 99501

The Contract between the State of Alaska, Legislative Affairs Agency and Birch, Horton, Bittner & Monroe dated October 3, 1978, attached hereto and incorporated herein, is hereby amended as follows:

> CLAUSE III, Paragraph B(1) as set forth on Page three of said Contract shall read:
>
> "Total payments for the work described in Clause I(B) shall not exceed $25,000.00, inclusive of all reimbursable expenses, and nothing in this agreement shall require the Contractor to render any work or service under Clause I(B) after Contractor's total billings for this work exceed $25,000.00, inclusive of reimbursable expenses.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates noted below their signatures.

BIRCH, HORTON, BITTNER & MONROE

BY: Ronald G. Birch
Ronald G. Birch
Date: 8/14/79

THE JOINT INTERIM GAS PIPLINE COMMITTEE

BY: ______________________
Senator Mike Colletta
Date: ______________________

BY: ______________________
Representative Bill Miles
Date: ______________________

Contract Between

STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY
Pouch Y
Juneau, Alaska 99811

and

BIRCH, HORTON, BITTNER AND MONROE
733 West Fourth Avenue, Suite 206
Anchorage, Alaska 99501

The parties to this agreement are the LEGISLATIVE AFFAIRS AGENCY, hereinafter referred to as the "Agency", and BIRCH, HORTON, BITTNER AND MONROE, hereinafter referred to as the "Contractor."

THE PURPOSE OF THIS AGREEMENT is to provide specialized professional legal and governmental consulting services in the area of natural gas policy to the Alaska State Legislature.

IT IS, THEREFORE, MUTUALLY AGREED THAT:

CLAUSE I - STATEMENT OF WORK

(A) The Contractor shall analyze and prepare the Preliminary and Final Reports described in the annex to this agreement (which is incorporated herein by reference) and shall deliver the reports to the Project Director in a form suitable for offset printing.

(B) The Contractor shall provide telephone consultations and brief written responses to legislative inquiries related to the subject of Alaska natural gas.

(C) The Contractor shall, on written request of the Project Director, conduct additional specified studies related to Alaska natural gas, and prepare written reports thereon. If requested in writing by the Project Director, the Contractor shall prepare and present testimony to committees of the legislature on the subject matter of these reports, and on those prepared under (A) of this clause.

CLAUSE II - PERIOD OF PERFORMANCE

(A) This agreement shall have retroactive effect to 3 October 1978.

(B) The Contractor shall deliver the reports referenced in Clause I(A) and described in the annex to this agreement to the Project Director in accordance with the following schedule:

Delivery of Preliminary Report------- 31 January 1979
Delivery of Final Report ------------ 15 March 1979

(C) This agreement may be terminated by either party on written notice to the other.

(D) Unless otherwise terminated or extended, this agreement terminates on 30 June 1979.

CLAUSE III - COMPENSATION AND METHOD OF PAYMENT

(A)(1) Total payments for the work referenced in Clause I(A) shall not exceed $23,333, inclusive of all expenses, which, for the work under Clause I(A), shall be the sole responsibility of the Contractor.

(2) Payment for the work referenced in Clause I(A) and described in the contract annex shall be due and payable to the Contractor in accordance with the following schedule:

On Delivery of:	Amount Due
Preliminary Report	$ 15,556
Final Report	$ 7,777

except that in the event a report is delivered late, the payment due on delivery of that report shall be reduced by one and one-half percent (1.5%) for each day elapsing between the due date and the date the report is delivered.

(3) If this agreement is terminated by the Agency before 31 January 1979, then the Contractor is not required to deliver the reports referenced under Clause 1(A), although the provisions of Clause IV still apply. In this event, payment due the Contractor for work on those reports shall be determined by multiplying $15,556 times a fraction, the numerator of which is the number of days between 3 October 1978 and the termination date, with the denominator being 120.

(4) If this agreement is terminated by the Agency after 31 January 1979, but before delivery of the Preliminary Report, then the Contractor shall not be required to deliver the Final Report. In this event payment due the Contractor shall be determined by reducing $15,556 by one and one-half percent (1.5%) for each day elapsing between 31 January 1979 and the date the Preliminary Report is actually delivered.

(5) If this agreement is terminated by the Agency after the delivery of the Preliminary Report, but before 15 March 1979, then the Contractor shall not be required to deliver the Final Report. In this event, payment due the Contractor for the work done on the Final Report shall be determined by multiplying $7,777 by a fraction, the numerator of which is the number of days between the date the Preliminary Report was delivered and the termination date, with the denominator being 45.

(6) If this agreement is terminated by the Contractor in accordance with Clause II(C) or under the terms of Clause VI(B), then the Contractor shall receive no payment for any report referenced in Clause I(A) which is not delivered by the termination date.

(B)(1) Total payments for the work described in Clause I(B) and (C) shall not exceed $11,667, inclusive of all reimbursable expenses, and nothing in this agreement shall require the Contractor to render any work or service under Clause I(B) or (C) after Contractor's total billings for this work exceed $11,667, inclusive of reimbursable expenses.

(2) Work conducted under Clause I(B) and (C) shall be compensated at the following rates:

Ronald Birch	$90/hour
Bruce Monroe	$90/hour
Mike Spaan	$90/hour
Constance Brooks	$70/hour
Joseph Chomski	$70/hour
Harvey Levine	$70/hour
Richard Haggart	$60/hour

except that charges for any individual consultation or report prepared under Clause I(B) shall not exceed $270. Payment for work conducted under Clause I(B) and (C) shall be made by the Agency in response to monthly invoices from the Contractor, approved by the Project Director. These invoices shall note each legislator or legislative staff member requesting work, specify which of the above designated principals or members of Contractor's staff responded to each request, and the time worked by each on each request.

(3) Contractor's travel expenses authorized in advance by the Project Director and in support of the work described in Clause I(B) and (C) shall be reimbursed on the basis of coach class fares, with per diem payable at prevailing state government rates. Contractor shall be reimbursed for long distance telephone expenses incurred in carrying out the work called for in Clause I(B) and (C). Purchase and reproduction costs of documents or publications obtained for and delivered to the Agency or individual legislators in support of work under Clause I(B) and (C) shall be reimbursed. Expenses incurred by the Contractor for all goods or services not specifically

25,000

enumerated in this paragraph shall be the responsibility of the Contractor unless specifically authorized by the Project Director.

CLAUSE IV - RECORDS, DOCUMENTS AND AUDIT

The Contractor shall maintain accurate and detailed records, in accordance with Agency procedures, of the billable time worked and reimbursable expenses incurred under this contract. The records shall be available for inspection by the Agency at all reasonable times. All documents and writings generated as a consequence of work done under this agreement are the property of the State of Alaska, and shall be delivered to the Agency on termination of the agreement.

CLAUSE V - PROJECT DIRECTOR

The Project Director shall be the Agency's Director of Research, or his designee.

CLAUSE VI - CONFLICT OF INTEREST

(A) Except as described in Contractor's letter to the Agency dated 12 October 1978, Contractor affirms that it and the principals and staff members mentioned by name in Clause III(E) do not represent, own any beneficial interest in, or have any professional business relationship with:

Northern Natural Gas Co.
Northwest Energy Corp.
Panhandle Eastern Pipe Line Co.
Pacific Gas and Electric Co.
Pacific Interstate Transmission Co.
United Gas Pipeline Co.
The Standard Oil Company (Ohio)
British Petroleum
Exxon Corporation
Atlantic Richfield Co.

or any firm or organization holding an interest in natural gas reserves in the Prudhoe Bay Field.

(B) Contractor shall immediately notify the Project Director in writing of any events that would require an amendment of Contractor's letter of 12 October 1978, or otherwise tend to create a conflict of interest. Within ten days of receiving this notification, the Project Director shall, after consultation with the Contractor, notify the Contractor in writing of his determination as to whether or not a conflict of interest exists. If the notification is that, in the opinion of the Project Director, a conflict exists, then the contract shall be deemed to have been terminated by the Contractor in accordance with Clause II(C).

CLAUSE VII - CONFIDENTIALITY OF COMMUNICATIONS

It is contemplated that all work done under this contract will be made public by the legislature. However, all communications between the Agency or the legislature and the Contractor, including the final report, shall be held confidential by the Contractor until released by the Agency or other legislative entity or individual legislator to which they were addressed.

CLAUSE VIII - LOBBYING DISCLAIMER

The Agency and the Contractor agree that the only services to be provided under this contract are the provision of information, analysis, and advice to the legislature; the Contractor is not authorized or permitted under this contract to represent the legislature, its members, committees, or staff agencies before Congress or any other legislative, administrative, or judicial institution. However, nothing in this clause limits the Contractor's rights or responsibilities under any other agreement, or prohibits the giving of testimony to the Alaska legislature when that testimony is properly authorized under Clause I(C).

CLAUSE IX - ALL WRITINGS CONTAINED HEREIN

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IN WITNESS WHEREOF, the parties have executed this agreement on the dates noted next to their signatures.

BIRCH, HORTON, BITTNER AND MONROE

Ronald D. Birch 10/22/78
RONALD BIRCH — Date

LEGISLATIVE AFFAIRS AGENCY
(By direction of the Executive Director)

Gregg K. Erickson 10/16/78
GREGG K. ERICKSON — Date

Approved as to form.

10/19/78
AGENCY LEGAL COUNSEL — Date

ANNEX

To Contract Between

STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY

And

BIRCH, HORTON, BITTNER AND MONROE

The written reports referenced in Clause I(A) of the agreement consist of a Preliminary Report and a Final Report addressing the subjects listed below. The Final Report shall be an extension of the work in the Preliminary Report, with emphasis on those areas designated by the Project Director for more intensive study or analysis. Both reports shall be organized in three sections, described as below, or in such other manner as may be most effective in covering all the topics noted.

SECTION 1.

This section will address the following specific questions.

(a) To what extent is Alaska's financial participation in the project as described in the President's decision still "expected?"

(b) Is Alaska's financial participation perceived to be a vital element in the project's success?

(c) To what extent are the proposals for state financial participation put forward by Northwest considered "appropriate" avenues of state participation, considered in the context of the President's decision, Congressional findings, and events of the last year?

(d) To what extent has action by the State of Alaska establishing a pipeline bonding authority, as requested by Northwest Pipeline, fulfilled the "obligations" of the state (as perceived by federal policy makers) with respect to financial participation?

(e) To what extent do federal policy makers consider Northwest's proposed utilization of tax exempt revenue bonds, requiring a Congressional amendment to Section 103 of the Internal Revenue Code, an appropriate response by the company to the President's decision and/or the provisions of the Alaska Natural Gas Transportation Act?

(f) What are the prospects for enactment of such an amendment to the Internal Revenue Code?

(g) In the event that the project cannot be financed as currently contemplated by Northwest, which of the following responses by the federal government is most likely?

i) provision of federal loan guarantees;

ii) direct federal financial participation other than in the form of loan guarantees;

iii) voiding of Northwest's franchise in favor of another private sector company;

iv) project abandonment;

v) other response.

SECTION 2.

This section will address the following specific areas:

(a) The background to the President's decision selecting the Northwest proposal, in which Alaska's financial participation was assumed. This will include consideration of the public record covering the decision and particularly those areas of the record to which Alaska contributed.

(b) Where arguments relating to Alaska participation are advanced as the official positions of organizations (for example, the Treasury Department), a detailed examination of the decision-making process that led up to taking that position.

(c) A determination of how and under what circumstances there developed among federal policy makers the apparent perception that Alaska had committed itself to support financially the proposed El Paso system.

(d) An analysis should be made of official and unofficial statements by state officials before Congressional committees or to other national policy makers which might pertain to Alaska's position with respect to construction of the Alaska natural gas transportation system, particularly with reference to those statements bearing on Alaska's responsibilities for management of the Prudhoe Bay reservoir.

SECTION 3.

This section will examine the full spectrum of means the federal government might conceivably use to induce the State of Alaska to contribute its fiscal resources to the construction of the Alaska natural gas transportation system. These means should include both direct and indirect federal actions, and should examine in at least a cursory way all those areas where the federal government exercises or could exercise leverage on the State. Detailed examination should be devoted to those areas where federal action in this context is most likely.

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

CONTRACT BETWEEN

STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY
Pouch Y
Juneau, Alaska 99801

AND

LAZARD FRERES & CO.
One Rockefeller Plaza
New York, New York 10020

The parties to this agreement are the LEGISLATIVE AFFAIRS AGENCY, on behalf of the Alaska State Legislature's Joint Committee on Gas Pipeline Financing, hereinafter referred to as the "AGENCY", and LAZARD FRERES & CO., hereinafter referred to as the "CONTRACTOR".

WHEREAS, the Alaska State Legislature resolved that the Joint Committee on Gas Pipeline Financing be directed to consult with appropriate financial and legal experts, and obtain expert opinions on the economic feasibility of the proposed natural gas pipeline and alternative methods by which the Legislature may wish to assist timely construction of the pipeline, including the desirability of direct financial participation in the pipeline,

THE PURPOSE OF THIS AGREEMENT is to provide specialized financial research and consulting services to the Alaska State Legislature through the Joint Committee on Gas Pipeline Financing.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I - STATEMENT OF WORK

(A) The Contractor shall provide to the Joint Committee on Gas Pipeline Financing expert financial opinion on the desirability of various methods for providing financial assistance to the gas pipeline project, including but not limited to direct State participation. Such opinion shall be made after discussions with appropriate federal government agencies, lenders, Northwest Energy Company and other interested parties as may be deemed necessary.

(B) All reports, correspondence, graphs, computer programs (including card decks and listings), and other documents prepared under this Contract are the property of the Alaska State Legislature, and it shall have the full right to use these documents for its purposes, or otherwise, when and where the Alaska State Legislature may designate without any claim on the part of the Contractor for additional compensation. They shall be submitted to the Co-Chairmen of the Joint Committee immediately upon completion. Copies of all reports, correspondence, graphs, computer programs and other documents shall also be sent to the Attorney General's Office (Pouch K, Juneau, Alaska 99811), to the attention of Robert B. Maynard, Assistant Attorney General.

(C) The work shall be done in accordance with generally recognized standards of professional consulting services. In the event that any work does not meet these standards, the Agency may serve written notice and satisfactory correction shall be made within ten (10) days. Completion dates for any portion(s) of the work shall be set by mutual agreement. Failure to complete the work on time shall result in liquidated damages of One Hundred Dollars ($100) per day, except for delays due to causes beyond the control and without fault or negligence of the Contractor. Liquidated damages shall not exceed the total payments allowed under the Contract and may be deducted from payments that are owing.

(D) The Agency may terminate this Contract upon written notice of the necessity for doing so and payment shall be made for satisfactory work. Any dispute concerning a question of fact that relates to the Contractor's performance, if not disposed of by agreement between the parties, shall be decided by the Co-Chairmen of the Committee, who shall notify the Governor. This decision, unless appealed to a court of competent jurisdiction within ninety (90) days of the completion or termination of the Contract, shall be final and conclusive.

CLAUSE II - WRITTEN REPORT

The Contractor's opinions and advice will be made in written form, including findings and recommendations, to the Committee on or before June 30, 1980.

CLAUSE III - INTERIM REPORTS

The Contractor shall submit such interim reports as the Committee shall reasonably request.

CLAUSE IV - PROJECT DIRECTOR

The Project Director shall be Senator Mike Colletta, acting on behalf of the Joint Gas Pipeline Committee.

CLAUSE V - PERIOD AND DATES OF PERFORMANCE

The work under this Contract shall commence on July 15, 1979, and expire on June 30, 1980. Performance may be extended for additional periods by mutual written agreement of the parties.

CLAUSE VI - COMPENSATION AND METHOD OF PAYMENT

In full consideration of the Contractor's performance hereunder, the Agency shall pay the Contractor the customary fees not to exceed a total charge of $50,000 (Fifty Thousand Dollars). Billings may be submitted to the Agency on a quarterly basis and shall include appropriate time records of the Contractor. No more than 50% of the maximum charge under the Contract shall be paid out in advance of the acceptance of the final work product by the Co-Chairmen of the Committee.

CLAUSE VII - OTHER CONTRACT PROVISIONS

It is understood that the Contractor is an investment bank with numerous, historic relationships with oil producing companies, oil and gas transmission companies, and refiners. It is understood that the Contractor is not obligated to terminate ongoing relationships with such companies and may without restriction enter into new relationships with such companies in the future. The Contractor shall be obligated, however, to inform the Committee of any arrangements which may present a conflict of interest, and upon receipt of such information the Committee may, if it so desires, terminate this Contract with penalty. Contractor knows of no current or prospective circumstance which would present a conflict of interest in providing objective financial expert advice.

Nothing in this Contract shall prevent Contractor after completion of its report from participating in the ultimate financing agreements of the Alaska Gas Pipeline Project.

CLAUSE VIII - ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind either of the parties of this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates indicated below.

CONTRACTOR

LAZARD FRERES & CO. Date
IRS No. ______________________

Accepted:

Senator Mike Colletta Date
Co-Chairman, Joint Gas Pipeline Committee

LEGISLATIVE AFFAIRS AGENCY

M. R. CHARNEY Date
Executive Director

Approved as to form:

Billy G. Berrier Date
Agency Legal Counsel

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT

Send copy [illegible] all com members [illegible] file gas [illegible]

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

JAY S. HAMMOND, GOVERNOR

POUCH K–STATE CAPITOL
JUNEAU, ALASKA 99811

August 20, 1979

The Honorable Mike Colletta
Chairman
Special Joint Interim Committee
on Gas Pipeline Financing
P. O. Box 3188
Anchorage, Alaska 99501

Dear Mike:

At your request and direction, I have gone ahead and executed the contract between the committee and Lazard Freres & Co. for study of the financial assistance question. You indicated you wanted me to keep it under $180,000. You will note that the price negotiated is $50,000. That should be satisfactory. I assume I will be permitted to personally keep two-thirds of the remainder.

Seriously, they have commenced work on the project. I assume it will be done reasonably quickly.

It was nice seeing you here during the Special Session. It was not, as I am sure you'll agree, an altogether pleasant experience, but perhaps we can make up for it in January.

Yours very truly,

Avrum M. Gross
Attorney General

AMG:as

Enclosure

03-C5LH

<u>Professional Services Contract</u>

This Contract, effective the 15th day of July 1979 between the State of Alaska, Department of Natural Resources (hereinafter called the "State") and Lazard Freres & Co., One Rockefeller Plaza, New York, New York 10020 (hereinafter called the "Contractor"),

WITNESSETH THAT:

WHEREAS, The Alaska State Legislature RESOLVED that the Joint Interim Committee on Gas Pipeline Financing be directed to consult with appropriate financial and legal experts, and obtain for the legislature

1) a formal opinion of bond counsel on whether general obligation bonds may be legally used to finance State equity participation in the natural gas pipeline.

2) if bond counsel determines that the use of general obligation bonds would be legal for this purpose, expert financial opinion on how the issuance of the bonds would affect the State's ability to finance other needed capital projects

3) detailed projections of the State's general fund balances using reasonable income and revenue assumptions, and

4) expert financial and legal opinions on any other methods for providing financial assistance to the gas pipeline project, and

FURTHER RESOLVED that the Joint Interim Committee on Gas Pipeline be directed to continue its efforts to develop, in consultation with the Governor a report for the legislature examining the economic feasibility of the natural gas pipeline and alternative methods by which the legislature may wish to assist timely construction of the pipeline, including the desirability of direct financial participation in the pipeline; and

FURTHER RESOLVED that the Joint Interim Committee on Gas Pipeline Financing submit a written report, including findings and recommendations, to the Second Session of the Eleventh Legislature, now, THEREFORE, the parties hereto agree as follows:

ARTICLE I: Service to be Performed

The Contractor shall provide to the Joint Interim Committee on Gas Pipeline Financing expert financial opinion on the desirability of various methods for providing financial assistance to the gas pipeline project, including but not limited to direct State participation. Such opinion shall be made after discussing with appropriate federal government agencies, lenders, Northwest Energy Company and other interested parties as may be deemed necessary.

All reports, correspondence, graphs, computer programs (including card decks and listings), and other documents prepared under this Contract are the property of the STATE and it shall have the full right to use these documents for its purposes, or otherwise, when and where the STATE may designate without any claim on the part of the