

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 8672

1012 SCOMM 28: JOINT GAS PIPELINE COMMITTEE, 1981-82 1012

Contractor for additional compensation. They shall be submitted to the Commissioner of Natural Resources immediately upon completion. Copies of all reports, correspondence, graphs, computer programs and other documents shall be sent to the Attorney General's Office (Pouch K, Juneau, Alaska, 99811) to the attention of Robert B. Maynard, Assistant Attorney General.

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 Commissioner of Natural Resources 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.

The STATE 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 Commissioner of Natural Resources, who shall notify the Contractor. 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.

ARTICLE II: Written Report

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

ARTICLE III: Interim Reports

The Contractor shall submit such interim reports as the Joint Interim Committee on Gas Pipeline Financing shall reasonably request.

ARTICLE IV: Period of Performance

The period of performance 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.

ARTICLE V: Consideration

open ended

In full consideration of the Contractor's performance hereunder, the STATE shall pay the Contractor the customary fees not to exceed a total charge of \$50,000⁰⁰ plus third party out-of-pocket expenses as may from time to time to approved by the Commissioner of Natural Resources. Billings shall be submitted to the Commissioner of Natural Resources 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 Commissioner of Natural Resources.

ARTICLE VI: 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 Joint Interim Committee on Gas Pipeline Financing of any arrangements which may present a conflict of interest and upon receipt of such information the Joint Interim Committee on Gas Pipeline Financing may, if it so desires, terminate this Contract without 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 arrangements of the Alaska Gas Pipeline Project.

Appendix A attached hereto and made a part hereof sets forth additional general contract provisions of this Contract.

IN WITNESS WHEREOF, the parties have executed this Contract this 15 day of August, 1979.

Contractor

LAZARO FRANKS & CO

By: [Signature]

State of Alaska,

~~Department of Natural Resources~~

Joint Interim Committee on Gas Financing

By: [Signature]

Chair, Subcommittee on Equity Investment

Approved:

(Date)

Approved:

(Date)

APPENDIX "A"

ARTICLE A-1. Definitions:

(a) The term "head of the agency" or "Commissioner" as used herein means the Commissioner, the Deputy Commissioner, or any other head or assistant head of the executive department or other State agency; and the term "his duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized to act for the head of the agency or the Commissioner.

(b) The term "Contracting Officer" as used herein means the person executing this contract on behalf of the State, and includes a duly appointed successor or authorized representative.

(c) The term "Department" means the Department of Law, State of Alaska.

ARTICLE A-2. Inspection and Reports.

(a) The Department shall have the right to inspect, in such manner and at all reasonable times as it deems appropriate, all activities of the Contractor arising in the course of its undertakings under this contract.

(b) The Contractor shall make progress and other reports in such manner and at such times as the Department may reasonably require.

ARTICLE A-3. State Saved Harmless:

The Contractor shall hold and save the State, its officers, agents and employees, harmless from liability of any nature or kind, including costs and expenses, for or on account of any or all suits or damages of any character whatsoever resulting from injuries or damages sustained by any person or persons or property by virtue of any wrongful act or omission of Contractor not specifically directed by the State or its duly authorized agents.

ARTICLE A-4. Disputes:

(a) Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not

disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Contracting Officer shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Contracting Officer a written appeal addressed to the Commissioner or head of the agency involved. The decision of the Commissioner or head of the agency or his duly authorized representative for the determination of such appeals shall be final and conclusive. This provision shall not be pleaded in any suit involving a question of fact arising under this contract as limiting judicial review of any such decision to cases where fraud by such official or his representative or board is alleged: Provided, however, that any such decision shall be final and conclusive unless the same is fraudulent or capricious or arbitrary or so grossly erroneous as necessarily to imply bad faith or is not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Contracting Officer's decision.

(b) This Disputes clause does not preclude consideration of questions of law in connection with decisions provided for in Paragraph (a) above. Nothing in this contract, however, shall be construed as making final the decision of any administrative official, representative or board on a question of law.

ARTICLE A-5. Equal Employment Opportunity:

(a) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, age, or sex. The Contractor will take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, national origin, ancestry, age,

or sex. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

(b) The Contractor shall state, in all solicitations or advertisements for employees to work on State of Alaska contract jobs, that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, ancestry, age, or sex.

(c) The Contractor will send to each labor union or representative of workers with which the Contractor has a collective bargaining agreement or other contract or understanding a notice advising the said labor union or workers' representative of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to all employees and applicants for employment.

(d) The Contractor will include the provisions of Paragraphs (a) through (c) of this Article in every contract, and will require the inclusion of these provisions in every sub-contract entered into by any of its sub-contractors, so that such provisions will be binding upon each sub-contractor, as the case may be. For the purpose of including such provisions in any construction, maintenance, or service contract or sub-contract, as required hereby, the term "Contractor" and the term "Sub-contractor" may be changed to reflect appropriately the name or designation of the parties of such contract or sub-contract.

(e) The Contractor agrees that he will fully cooperate with the office or agency of the State of Alaska which seeks to deal with the problem of unlawful or invidious discrimination, and with all other State efforts to guarantee fair employment practices under this contract, and said Contractor will comply promptly with all requests and directions from the State Commission

of Human Rights or any of its officers or agents relating to prevention of discriminatory employment practice.

(f) Full cooperation as expressed clause (e) foregoing shall include, but not be limited to, being a witness in any proceeding involving questions of unlawful or invidious discrimination if such is deemed necessary by any official or agency of the State of Alaska, permitting employees of said Contractor to be witnesses or complainants in any proceeding involving questions of unlawful or invidious discrimination, of such is deemed necessary by any official or agency of the State of Alaska, participating in meetings, submitting periodic reports on the equal employment aspects of present and future employment, assisting in inspection of the construction site, and promptly complying with all State directives deemed essential by any office or agency of the State of Alaska to insure compliance with all Federal and State laws, regulations and policies pertaining to the prevention of discriminatory employment practices.

(g) Failure to perform any of the above agreements pertaining to equal employment opportunities shall be deemed a material breach of the contract.

The responsible officer overseeing compliance with such fair practice and non-discrimination provision shall be the executive head of such department or other agency of the State of Alaska as is a party to the contract. Such responsible officer shall report to the State Commission for Human Rights whenever discriminatory practices are brought to his attention.

ARTICLE A-6. Termination:

The performance of work under this contract may be terminated, in whole or from time to time in part, by the State whenever for any reason the Contracting Officer shall determine that such termination is in the best interest of the State. Termination of work hereunder shall be effected by delivery to the Contractor of a Notice of Termination specifying the extent to which performance of work under the contract is terminated and the date upon which such termination becomes effective.

ARTICLE A-7. No Assignment:

The Contractor shall not assign this contract, nor any part thereof, nor any right to any of the monies to be paid him hereunder, nor shall any part of the work done or materials furnished under said contract be sublet except with the written consent of the Contracting Officer.

ARTICLE A-8. No Additional Work:

No claim for additional work or materials not specifically herein provided, done or furnished by the Contractor will be allowed by the Commissioner or the head of the agency, nor shall the Contractor do any work or furnish any material not covered by the contract unless such work is ordered or confirmed in writing by the Commissioner or the head of the agency.

ARTICLE A-9. Independent Contractor:

The Contractor, and any agents and employees of the Contractor, shall act in an independent capacity and not as officers or employees or agents of the State in the performance of the contract.

ARTICLE A-10. Payment of Taxes:

As a condition of performance of this contract, the contractor shall pay all Federal, State, and local taxes incurred by the contractor, subcontractor or other person or persons in the performance of this contract, and proof of payment of these taxes is a condition precedent to payment by the State under this contract.

INSTRUCTIONS TO BE OBSERVED IN EXECUTING CONTRACT

1. A statement of grounds which permit contracting without State advertising pursuant to AS 37.05.230 should be inserted in this recital if there has been no such advertising. For example: "Whereas the State is entering into this contract by direct negotiation and not by competitive bids because this is a contract for professional services."

2. A statement of statutory grounds which authorize the Department or Agency to enter into the contract should be inserted in this recital. For example: "Whereas the Department of Health and Welfare has the authority to enter into this contract by AS 47.05.010."

3. Appendix A may be attached to the contract if it is necessary to set out in lengthy detail the service. If Appendix A is attached to the contract, there should be a recital which explicitly states this. For example: "The services to be performed by the Contractor are set forth in Appendix A attached hereto and made a part hereof."

4. A statement of the amount to be paid the Contractor and a per diem rate, if the contract is one that entails per diem rate, should be set forth here.

5. Any substantial change or addition to the contract must be approved as to form by the Department of Law.

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

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

H. K. VAN POOLLEN AND ASSOCIATES, INC.

1100 WEST LITTLETON BOULEVARD
LITTLETON, COLORADO 80120
TELEPHONE: 303 793-8378
TWX: 910 935 0102
ANS: HKVANPOOL LITL

July 5, 1979

Mr. E. Phillips
Department of Natural Resources
Division of Minerals and Energy Management
703 W. Northern Lights Blvd.
Anchorage, Alaska 99501

Dear Mr. Phillips:

RE: Request for Extension of Contract

The contract between the Legislative Affairs Agency and H. K. van Poollen and Associates, Inc., covering the development of cost data and methodology for Prudhoe Bay will expire on August 30, 1979.

Acquisition of the necessary cost data and results of the reservoir simulation study have been slower than originally anticipated. The current estimate on the availability of initial results from the 3-D model is in mid-August. Hopefully, the operators will furnish the necessary cost data by that time.

In view of the above considerations, we request an extension of the contract to December 31, 1979. This will be sufficient time to complete the contract and submit the final report.

Yours very truly,

Wayne R. Beeks

Wayne R. Beeks
Vice President
H. K. van Poollen and Associates, Inc.

WRB:sh

RECEIVED

JUL 09 1979

RESERVOIR ENGINEERING — WASTE DISPOSAL — WELL TESTING — GAS STORAGE
PETROLEUM ENGINEERING — WATER TREATMENT — Div. of Minerals & Energy Technology
SEISMIC INTERPRETATION — EVALUATIONS — SECONDARY RECOVERY — EDUCATION, AK — HEARINGS
PRODUCTION — EXPLORATION — DRILLING — CORROSION — COMPUTER APPLICATIONS
WELL COMPLETION — RESERVOIR GEOLOGY — OFFSHORE TECHNOLOGY — OPERATIONS

MEMORANDUM

State of Alaska

TO: Marsha A. Helton
Legislative Affairs Agency
Pouch Y State Capitol
99811

DEPT. DNR
DIV. DMEM
SEC. Petrochem

DATE : 27/July/79

FROM: E. R. Rupp
Div of M. Natural Energy
Mgmt. Anchorage 99503

SUBJECT: Extension of Contract
For H. K. Von Poolen.

Given the data problems I think the request enclosed with this memo is reasonable. Their recent billing looks O.K. Could you send me a statement concerning their total billing and the balance remaining in the contract.

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 - Capitol
Juneau, Alaska 99811

AND

H. K. VAN POOLLEN AND ASSOCIATES
1100 West Littleton Boulevard
Littleton, Colorado 80120

IT IS MUTUALLY AGREED THAT THE CONTRACT ENTERED INTO BETWEEN THE PARTIES, DATED FEBRUARY 23, 1979, IS HEREBY AMENDED AS FOLLOWS:

CLAUSE III - PERIOD AND DATES OF PERFORMANCE

- (A) This contract shall be retroactive to 1 February, 1979, and shall expire on 31 December, 1979, unless extended by written agreement or terminated in accordance with (B) of this clause.

CLAUSE V - REPORTS

The Contractor shall keep the Project Director informed as to the progress of the work performed under this agreement and shall provide monthly progress reports to the Project Director in the form specified by him. A copy of each report shall be sent to the Executive Director of the Agency at the address hereinabove stated.

CLAUSE VI - RECORDS, DOCUMENTS, AUDIT

The Contractor shall maintain accurate records, including detailed time records, as may be required by the Agency. The records are subject to inspection by the Agency at all reasonable times. Copies of all documents, reports, and writings produced in the course of the work performed under this contract shall be delivered to the Project Director and to the Executive Director of the Agency upon termination of this agreement.

AMENDMENT NO. 1
TO CONTRACT BETWEEN

LEGISLATIVE AFFAIRS AGENCY
and
H. K. VAN POOLLEN AND ASSOCIATES

THE PARTIES FURTHER AGREE THAT ALL OTHER PROVISIONS OF THE
CONTRACT DATED FEBRUARY 23, 1979, SHALL REMAIN IN FULL FORCE
AND EFFECT.

IN WITNESS WHEREOF, the parties have executed this Amendment
No. 1 on the dates indicated.

H. K. VAN POOLLEN AND ASSOCIATES LEGISLATIVE AFFAIRS AGENCY

Contractor

Date

MYRTON R. CHARNEY
Executive Director

Date

APPROVED AS TO FORM:

 7/30/79

AGENCY LEGAL COUNSEL Date

STATEMENT OF PAYMENTS ON CONTRACT

H. K. VAN POOLEN & ASSOCIATES

Contract:	\$60,000.00	<u>Fees</u>	<u>Expenses</u>	<u>Balance</u>
January		\$ 720.00	\$542.96	
February		---	---	Did not bill
March		4,055.00	---	
April		10,247.50	60.44	
May		8,095.00	392.85	
June		<u>5,021.25</u>	<u>749.52</u>	In process
TOTAL to date		\$28,138.75	\$1,745.77	
				<u>\$30,115.48</u>

Account No. 203 (FY '79)
\$60,000

CONTRACT BETWEEN

STATE OF ALASKA

LEGISLATIVE AFFAIRS AGENCY

Pouch Y
Juneau, Alaska 99811

AND

H. K. VAN POOLLEN AND ASSOCIATES

1100 W. Littleton Blvd.
Littleton, Colorado 80120

The parties of this agreement are the LEGISLATIVE AFFAIRS AGENCY, hereinafter referred to as the "Agency," and H. K. VAN POOLLEN AND ASSOCIATES, hereinafter referred to as the "Contractor."

THE PURPOSE OF THIS AGREEMENT is to provide the State of Alaska with specialized consulting services in oil and gas reservoir management.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I - STATEMENT OF WORK

Under the direction of the Project Director, the Contractor shall assist state personnel in:

- (A) Defining the methodology appropriate to evaluating the benefits and costs to the State of Alaska and the nation of pursuing any particular development path at Prudhoe Bay;
- (B) Identifying the information necessary to apply such a methodology;
- (C) Developing the necessary engineering and cost data; and
- (D) Preparing a preliminary analysis of the economic tradeoffs circumscribing the development options at Prudhoe Bay.

CLAUSE II - PROJECT DIRECTOR

The Project Director shall be the director of the Division of Minerals and Energy Management, Alaska Department of Natural Resources, or his designee.

CLAUSE III - PERIOD AND DATES OF PERFORMANCE

- (A) This contract shall be retroactive to 1 February 1979 and shall expire on 30 August 1979 unless extended by written agreement or terminated in accordance with (B) of this clause.

- (B) This contract may be terminated on written notice of either party to the other.

CLAUSE IV - COMPENSATION AND METHOD OF PAYMENT

- (A) Payment for the Contractor's services shall be calculated in accordance with the rates and terms specified in the Contractor's most recent published schedule of rates, or at the rates (and in accordance with the terms) specified in the contract with the Department of Natural Resources, Division of Oil and Gas Conservation, executed by the Contractor on 21 August 1978, whichever is lower.
- (B) Reimbursement of expenses authorized in advance by the Project Director shall be on the basis of actual costs incurred, except that air travel shall be reimbursed on the basis of coach class air fare, and per diem on the basis of state per diem rates.
- (C) Total compensation for expenses and services under this agreement shall not exceed \$60,000.

CLAUSE V - REPORTS

The Contractor shall keep the Project Director informed as to the progress of the work performed under this agreement and shall provide monthly progress reports in the form specified by him. A copy of each report shall be sent to the Director of Research, Legislative Affairs Agency, Pouch Y, Juneau, Alaska 99811.

CLAUSE VI - RECORDS, DOCUMENTS, AUDIT

The Contractor shall maintain accurate records, including detailed time records, as may be required by the Agency. The records are subject to inspection by the Agency at all reasonable times. Copies of all documents, reports and writings produced in the course of the work performed under this contract shall be delivered to the Project Director and to the Director of Research, Legislative Affairs Agency, upon termination of this agreement.

CLAUSE VII - CONFLICT OF INTEREST

- (A) Except as described in Appendix A of this agreement, Contractor affirms that it does not 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

or any firm or organization which, to the Contractor's knowledge, holds an interest in oil or 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 Appendix A of this agreement, or otherwise tend to create a conflict of interest.

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

H. K. VAN POOLLEN AND ASSOCIATES

LEGISLATIVE AFFAIRS AGENCY
(By direction of the Executive Director)

H. K. Van Poolle

2/23/79
Date

Gregg K. Erickson
GREGG K. ERICKSON

2/14/79
Date

Alaska Business License #78-233326

Approved as to form.

Billy J. Benson
AGENCY LEGAL COUNSEL

2/13/79
Date

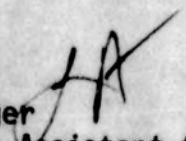
**PLEASE NOTE: THE PRECEDING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.**

FILE: CONTRACTS

January 7, 1980

To Representative Miles:

Enclosed is a copy of the amendment to the contract with
Todd Doscher.


Lynn Ager
Special Assistant to Myrt Charney

AMENDMENT NO. 3

CONTRACT BETWEEN
STATE OF ALASKA - LEGISLATIVE AFFAIRS AGENCY

AND

THE DOSCHERS GROUP, INC.

IT IS MUTUALLY AGREED THAT THE CONTRACT BETWEEN THE ABOVE PARTIES,
DATED AUGUST 8, 1978, IS HEREBY AMENDED AS FOLLOWS:

CLAUSE III, Paragraph (A), page 1 is amended to read:

- (A) This contract shall have retroactive effect to 1 July, 1978
and work under this contract shall be accomplished between
that date and June 30, 1980.

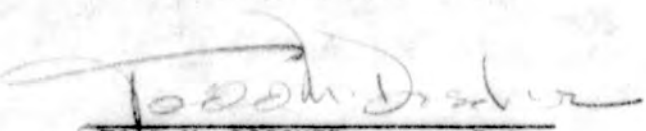
CLAUSE III, Paragraph (B), page 1 is amended to read:

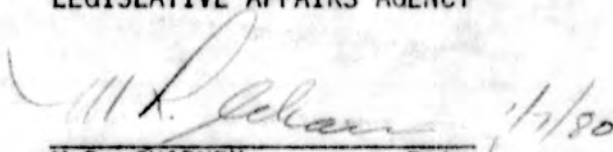
- (B) This contract terminates on June 30, 1980 unless
terminated earlier in accordance with (C) of this clause.

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

THE DOSCHERS GROUP, INC.

LEGISLATIVE AFFAIRS AGENCY


TODD M. DOSCHER Date
IRS. Ident. No. 95-3166009


M.R. CHARNEY Date 1/7/80
Executive Director

Accepted:

Approved as to form:


Bill Miles Date 12/4/79
Project Director


Billy G. Berrier Date 11/30/79
Agency Legal Counsel

CONTRACT BETWEEN

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

AND

MARY HALLORAN
718 Fifth
Juneau, Alaska 99801

The parties to this agreement are the LEGISLATIVE AFFAIRS AGENCY, on behalf of the Alaska State Legislature's Joint Interim Committee on Gas Pipeline Financing, hereinafter referred to as the "Agency," and MARY HALLORAN, hereinafter referred to as the "Consultant."

THE PURPOSE OF THIS AGREEMENT is to provide specialized research and consulting services to the Alaska State Legislature through the Agency.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I - STATEMENT OF WORK

The Consultant shall, as directed by the project director, provide the Alaska State Legislature with specialized research and consulting services relating to oil and gas, gas pipeline development, and related policy areas, particularly with reference to proposals for state financial participation in the Alaska Natural Gas Pipeline Project.

CLAUSE II - PERIOD OF PERFORMANCE

- (A) The period of this contract shall be from 1 June 1979 to 31 December 1979 unless extended by written agreement or terminated in accordance with (B) of this clause.
- (B) This contract may be terminated by ten (10) days' written notice of either party to the other party.

CLAUSE III - COMPENSATION AND METHOD OF PAYMENT

- (A) Payment for work performed under this agreement shall be at the rate of \$2500 per month to be paid before the last working day of each month for work carried out between the 15th day of the preceding month and the 15th day of the current month.

On or before the 10th day of each month, the Consultant shall submit a statement of time worked to the project director for approval. Total compensation for the work performed under this clause shall not exceed \$17,500. The Agency shall deduct from each monthly payment income tax and other deductions required by law.

- (B) The Consultant shall be reimbursed by the Agency for travel expenses authorized in advance by the project director. Air transportation shall be reimbursed at coach class fares and per diem expenses at state rates.
- (C) Office space and equipment necessary to carry out the work designated in Clause I of this agreement shall be provided by the Agency at no cost to the Consultant.
- (D) No other employee benefits are allowed the Consultant.

CLAUSE IV - PROJECT DIRECTOR

The Project Director shall be The Honorable Bill Miles, Co-Chairman of the Joint Interim Committee on Gas Pipeline Financing, or his designee.

CLAUSE V - REPORTS

The Consultant shall keep the Project Director informed as to the progress of work performed under this agreement and shall provide written progress reports as specified by him.

CLAUSE VI - RECORDS, DOCUMENTS, AUDIT

The Consultant shall maintain accurate records, including detailed time records, as may be required by the Agency. The records are subject to inspection by the Agency at all reasonable times. All documents, reports and writings produced in the course of the work performed under this contract are, upon delivery to the Agency or at termination of this agreement, the property of the Agency.

CLAUSE VII - CONFLICT OF INTEREST

- (A) The Consultant affirms that she does not represent, own any beneficial interest in, or have any professional business relationship with:

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

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

- (B) The Consultant shall immediately notify the Project Director in writing of any events that would require an amendment of this affirmation or tend to create a conflict of interest.

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.

CONSULTANT

LEGISLATIVE AFFAIRS AGENCY

Mary Halloran

6/4/79
Date

MARY HALLORAN
Social Security No. 513-44-0833
Alaska Business License No. 49862

Myrton R. Charney

11/5/79
Date

MYRTON R. CHARNEY
Executive Director

Accepted:

Approved as to form:

Bill Miles

6/4/79
Date

REP. BILL MILES, Co-Chairman
Joint Committee on Gas Pipeline
Financing

Billy H. H. H.

5/24/79
Date

AGENCY LEGAL COUNSEL

**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

September 24, 1979

Myrt Charney
Director
Legislative Affairs Agency
Pouch Y
Juneau, Ak. 99811

Dear Myrt,

Enclosed is a contract agreed to by the Co-chairmen of the Joint Interim Gas Pipeline Committee, Sen. Mike Colletta and Rep. Bill Miles, and the law firm of Birch, Horton, Bittner and Monroe.

The contract needs to be reviewed and approved by you and Bill Berrier. Also before it becomes effective, it also needs to be okayed by the full gas pipeline committee. We will notify you when that full committee approval has taken place.

Thank you for your help.

Sincerely,

Mary

Mary Halloran
Research Analyst

cc: Ron Birch
Joe Chomski

Contract between
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY
Pouch Y and State Capitol
Juneau, Alaska 99811

and

BIRCH, HORTON, BITTNER & MONROE
(hereinafter "the Contractor")
1127 West Seventh Avenue
Anchorage, Alaska 99501

THE ABOVE PARTIES TO THIS CONTRACT, in consideration of the covenants hereinafter contained, hereby mutually agree to the terms and conditions hereinafter set forth:

CLAUSE I - STATEMENT OF WORK

- (A) The Contractor shall analyze available data and prepare monthly reports to be submitted to the Alaska State Legislature through the Joint Interim Natural Gas Pipeline Committee relating to all matters affecting approval and effectuation of the proposed natural gas pipeline from the North Slope of Alaska to the continental United States.
- (B) The Contractor shall, on specific written request from the Project Director of the Joint Interim Natural Gas Pipeline Committee, research and provide additional written reports to the Committee related to Alaska natural gas sale and transportation, and submit said written reports to the Committee in a timely fashion. 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.

CLAUSE II - PERIOD OF PERFORMANCE

- (A) This Agreement shall commence on September 1, 1979 and continue through June 30, 1980. This Agreement may be terminated by either party on written notice to the other.

CLAUSE III - COMPENSATION AND METHOD OF PAYMENT

- (A) (1) Total payment for the work referenced in Clause I shall not exceed \$25,000, inclusive of all expenses, which, for the work under Clause I, shall be the sole responsibility of the Contractor.
- (A) (2) Payment for the work referenced in Clause I and described in the Contract shall be due and payable to the Contractor in accordance with the following schedule:
- 10 monthly payments of \$2500.00 each, the first payment due and payable on September 30, 1979 and successive payments due on the last day of the succeeding months thereafter.
- (A) (3) Actual expenditures for travel and per diem incurred by the Contractor, subsequent to request from the Project Director, shall be reimbursed. Said Contractor's travel expenses authorized in advance by the Project Director and in support of the work described in Clause I shall be reimbursable on the basis of coach class fares, with per diem payable at prevailing state government rates.

CLAUSE IV - 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:

Northwest 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 owning or holding natural gas reserves in the Prudhoe Bay Field.

- (B) Contractor shall immediately notify the Committee Chairman 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 Committee Chairman 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 Committee Chairman, a conflict exists, then the contract shall be deemed to have been terminated by the Contractor.

CLAUSE V - 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 Legislative Affairs Agency, the Committee, or other Legislative entity or individual Legislator to which they were addressed.

CLAUSE VI - LOBBYING DISCLAIMER

The Agency, the Committee, 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.

CLAUSE VII - PROJECT DIRECTOR

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.

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 to this Agreement have hereinafter set their hands and seals on the dates individually indicated.

BIRCH, HORTON, BITTNER & MONROE
Contractor

Ronald G. Birch 9/12/79
Ronald G. Birch Date

LEGISLATIVE AFFAIRS AGENCY
Agency

M. R. Charney Date
Executive Director

APPROVED:

Bill Miles 9/16/79
Rep. Bill Miles Date
Project Director

APPROVED AS TO FORM:

Billy G. Berrier Date
Agency Legal Counsel

Mike Colletta 9/16/79
Sen. Mike Colletta Date
Project Director

CONTRACT BETWEEN

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

and

FRANK ORTH & ASSOCIATES, INC.
135 Lake Street South
Suite 232
Kirkland, Washington 98033

The parties of this agreement are the Legislative Affairs Agency, on behalf of the Legislative Council's House Interim Foreign Investment Committee, hereinafter referred to as the "AGENCY", and Frank Orth & Associates, Inc., hereinafter referred to as the "CONTRACTOR."

THE PURPOSE OF THIS AGREEMENT is to provide the House Interim Foreign Investment Committee with specialized consulting services to assist in the development of public policy relating to foreign investment in the Alaska fishing industry.

IT IS MUTUALLY AGREED THAT:

CLAUSE I. - STATEMENT OF WORK

(A) The Contractor shall determine to the maximum extent possible the degree of foreign ownership in Alaska fisheries as documented in available public reports and other sources.

(B) The Contractor shall conduct a comprehensive review of the Alaska corporate disclosure law (AS 10.05.699 - 705) with regard to:

1. Purposes of the law with respect to disclosure of foreign investment in companies operating in Alaska;
2. The present practice of the state with respect to implementation and enforcement of the law;

3. The present uses of data provided by reporting companies;
4. Recommendations with respect to legislative or administrative changes which would enhance the achievement of the purposes of that corporate disclosure law, especially with regard to reporting requirements of foreign corporations.

(C) The Contractor shall provide an analysis of the effect of the foreign investment on fisheries investment decisions of domestic processors.

(D) Under guidance of the Project Director, the Contractor shall coordinate his research and analysis with relevant state and federal agencies.

(E) The Contractor shall prepare a preliminary report including findings of the work required by paragraphs (A), (B) and (C) of this Clause, and recommendations for legislative action to the House Interim Committee on Foreign Investment.

(F) The Contractor shall advise the House Interim Committee on Foreign Investment in the drafting of any proposed legislation for necessary statutory changes required to implement the study's findings.

(G) The Contractor shall prepare a final report, including findings of the work required by paragraphs (A), (B) and (C) of this Clause, and recommendations for legislative action.

(H) The Contractor and any subcontractors designated by the Project Director shall be available, on reasonable notice and subject to prior professional and personal commitments, to testify before the House Interim Foreign Investment Committee and other committees of the Eleventh Alaska State Legislature, Second Session, on the subject matter of the report.

CLAUSE II. - PERIOD OF PERFORMANCE

(A) All work under Clause I(A) - (G) shall be performed between June 15, 1979, and January 15, 1980.

(B) The Contractor shall be available from January 15, 1980, to the end of the Second Session of the Eleventh Legislature, or June 30, 1980, whichever is earlier, to provide services under Clause I (H) of this agreement, under the terms and conditions contained herein.

(C) The Contractor shall submit to the Project Director no later than November 15, 1979, the preliminary report required under Clause I (E) of this agreement.

(D) The Contractor shall submit to the Project Director no later than January 15, 1980, two copies of the final report required under Clause I (G) of this contract.

(E) The work under this contract shall be performed by the Contractor, except that, when prior written approval has been received from the Project Director to subcontract, the Contractor may arrange to subcontract all or any portion of the work described under Clause I(A) - (G). The Contractor shall receive prior written approval from the Project Director for each subcontractor authorized under the terms of this paragraph.

(F) Unless extended or amended by mutual written agreement, this contract expires on June 30, 1980.

CLAUSE III - TERMINATION

This contract may be terminated by mutual consent.

CLAUSE IV - PROJECT DIRECTOR

The Project Director shall be the Honorable Bill Miles, acting for the Honorable Fred F. Zharoff, Chairman of the House Interim Foreign Investment Committee.

CLAUSE V - COMPENSATION AND METHOD OF PAYMENT

(A) The Contractor shall be compensated \$42,500 for the work specified in Clause I of this Agreement.

(B) Upon execution of this Agreement, \$5,312.50 of the amount specified for compensation in (A) of this Clause shall be paid to the Contractor. Thereafter, the balance of compensation shall be paid in seven equal monthly installments of \$5,312.50, payable for the period July, 1979, to January, 1980, inclusive. Payment shall be made by the Agency not later than the fifteenth day of each month upon (1) submission to the Agency not later than the fifth day of the month of billings by the Contractor for work performed during the previous calendar month; and (2) approval of the billings for payment by the Project Director or his designee. The monthly payments specified in this Clause include all expenses, including travel costs and payments to each subcontractor authorized under Clause II(E), related to the work required in Clause I.

(C) The Contractor shall receive no payment in addition to that specified in Clause V(A) for travel and related expenses for the work specified in Clause I(H) unless the required services of the Contractor under Clause I(H), including travel time between the Contractor's principal place of business and Juneau, Alaska, exceed three (3) days for the Contractor or a subcontractor approved under Clause II(E) of this agreement.

CLAUSE VI - RECORDS, DOCUMENTS, AUDIT

(A) The Contractor shall maintain accurate records as may be required by the Project Director. The records are subject to the inspection of the Agency or the Project Director at all times.

(B) All documents, reports and writings generated as a consequence of work done under this contract shall become the property of the State of Alaska, and upon completion of the work or at the termination of this contract shall be delivered to the Project Director.

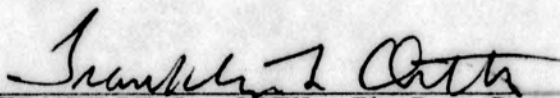
CLAUSE VII - ALL WRITINGS CONTAINED HEREIN

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 to this agreement.

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

CONTRACTOR

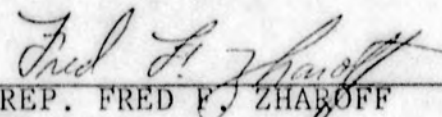
LEGISLATIVE AFFAIRS AGENCY

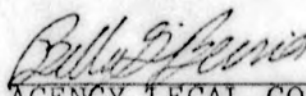

FRANKLIN L. ORTH, Ph.D. Date
Frank Orth & Associates, Inc.
IRS I.D. NO. _____

MYRTON R. CHARNEY Date
Executive Director

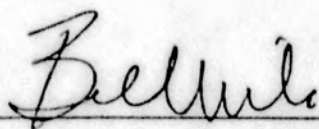
Accepted:

Approved as to form:

 6-21-79
REP. FRED F. ZHAROFF Date
Chairman
House Interim Foreign
Investment Committee

 6/20/79
AGENCY LEGAL COUNSEL Date

As Project Director, I formally give my approval to Frank Orth & Associates, Inc. to subcontract to W. Patrick Dougherty according to the terms and conditions specified in the written contract between the State of Alaska, Legislative Affairs Agency, and Frank Orth & Associates, Inc. signed on June 25, 1979. This approval is granted to fulfill the conditions of the subcontractor approval provision found in Clause II(E) of the above-mentioned contract.



Representative Bill Miles

Project Director

House Interim Foreign Investment Committee

4/26/79
Date

Contract between
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY
Pouch Y and State Capitol
Juneau, Alaska 99811

and

BIRCH, HORTON, BITTNER & MONROE
(hereinafter "the Contractor")
1127 West Seventh Avenue
Anchorage, Alaska 99501

THE ABOVE PARTIES TO THIS CONTRACT, in consideration of the covenants hereinafter contained, hereby mutually agree to the terms and conditions hereinafter set forth:

CLAUSE I - STATEMENT OF WORK

- (A) The Contractor shall analyze available data and prepare monthly reports to be submitted to the Alaska State Legislature through the Joint Interim Natural Gas Pipeline Committee relating to all matters affecting approval and effectuation of the proposed natural gas pipeline from the North Slope of Alaska to the continental United States.
- (B) The Contractor shall, on specific written request from the Project Director of the Joint Interim Natural Gas Pipeline Committee, research and provide additional written reports to the Committee related to Alaska natural gas sale and transportation, and submit said written reports to the Committee in a timely fashion. 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.

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- 10 monthly payments of \$2500.00 each, the first payment due and payable on September 30, 1979 and successive payments due on the last day of the succeeding months thereafter.
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CLAUSE IV - 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:

Northwest 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 owning or holding natural gas reserves in the Prudhoe Bay Field.

- (B) Contractor shall immediately notify the Committee Chairman 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 Committee Chairman 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 Committee Chairman, a conflict exists, then the contract shall be deemed to have been terminated by the Contractor.

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CLAUSE VI - LOBBYING DISCLAIMER

The Agency, the Committee, 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.

CLAUSE VII - PROJECT DIRECTOR

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.

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

BIRCH, HORTON, BITTNER & MONROE
Contractor

LEGISLATIVE AFFAIRS AGENCY
Agency

Ronald G. Birch 9/12/79
Ronald G. Birch Date

M. R. Charney Date
Executive Director

APPROVED:

APPROVED AS TO FORM:

Bill Miles 9/16/79
Rep. Bill Miles Date
Project Director

Billy G. Berrier Date
Agency Legal Counsel

Sen. Mike Colletta Date
Project Director

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

STATEMENT
BIRCH, HORTON, BITTNER AND MONROE

733 WEST FOURTH AVENUE, SUITE 206
ANCHORAGE, ALASKA 99501
TELEPHONE (907) 279-9403



The Joint Interim Gas Pipeline Committee
% Mr. Gregg K. Erickson
State of Alaska
Legislative Affairs Agency
Pouch Y
Juneau, Alaska 99811

February 24, 1979

FOR PROFESSIONAL SERVICES RENDERED: January 1 - 31, 1979
BIRCH 201547 MISCELLANEOUS

FEES

CONTACT	ATTY.	HRS.	DATE	DESCRIPTION
Moen	RGH	.1	01/02	Assemble materials
Miles	JMC	.9	01/04	Conf. w/Miles; update Developments on Northwest Pipeline for Monthly Report
Erickson	RGH	.2	01/05	Call to Kay Brown
Moen	RGH	.1	01/06	Assemble materials
Miles	RGH	.2	01/09	Preparation re: Status of Incentive Rate of Return and Field Costs
Miles	RGH	.6	01/10	Conf. w/Miles
Miles	RGB	.4	01/10	Conf. w/Miles
Erickson	RGH	.4	01/11	Preparation re: Request from Kay Brown for RM 78-12
Erickson	RGH	.3	01/12	Continued preparation re: Kay Brown query on RM 78-12
Miles	JMC	.6	01/15	Review article; dictate letter to Miles on recent developments
Erickson	RGH	1.2	01/16	Preparation re: Query from Kay Brown on Incentive Rate of Return and Field Costs treatment by FERC
Miles	JMC	.9	01/27	Reviewed Miles Memorandum; reviewed new Gas Pipeline Developments
Total Partner Hours (RGB, MRS, WBM)				.4 \$ 36.00
Total Associate Hours (JMC, CEB)				2.4 168.00
Total Energy Specialist Hours (RGH)				<u>3.1</u> 186.00
Total Fees				5.9 \$ 390.00

STATEMENT
BIRCH, HORTON, BITTNER AND MONROE

733 WEST FOURTH AVENUE, SUITE 206
ANCHORAGE, ALASKA 99501
TELEPHONE (907) 279-9403

COSTS

10/18	Phone	5.40
11/09	Phone	28.22
11/17	Phone	2.70
12/19	Telex	25.00
01/04	Phone	75.00
01/29	Telex	22.85
01/31	Xerox copies	11.55

Total Costs

\$ 170.72

Total Current Month

\$ 560.72

Balance Forward

4,512.33

Total Amount Due

\$ 5,073.05

Approved For
Payment
2/27/79
M7

130 SEWARD STREET
JUNEAU, ALASKA 99801
(907) 586-2880
4400 JENIFER ST., N.W., SUITE 300
WASHINGTON, D.C. 20015
(202) 244-4250
TELEX 9-89-2591

BIRCH, HORTON, BITTNER AND MONROE
1125 WEST SEVENTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 276-1550
TELEX 25-356
STATEMENT

1200 AIRPORT ROAD, SUITE 100
ANCHORAGE, ALASKA 99504
(907) 279-8601
751 OLD RICHARDSON HWY., SUITE 300
FAIRBANKS, ALASKA 99701
(907) 452-1600



The Joint Interim Gas Pipeline Committee
% Mr. Gregg K. Erickson
State of Alaska
Legislative Affairs Agency
Pouch Y
Juneau, Alaska 99811

March 24, 1979

FOR PROFESSIONAL SERVICES RENDERED: February 1 - 28, 1979
BIRCH 001547.00

FEES

CONTACT	ATTY.	HRS.	DATE	DESCRIPTION
Erickson	RGH	.2	01/30	Conf. w/Kay Brown re: Costs
Erickson	RGH	.6	01/31	Status of Conditioning Costs
Miles	JMC	.6	02/04	Review all recent articles and reports on Northwest Pipeline
Moen	JMC	.8	02/15	Conf. w/Hoffman of Senator Gravel's Office re: GSOP Developments and Northwest Pipeline
CHATTERTON	MRS	1.0	02/19	Review Royalty Gas Report
	JMC	.3	02/22	Conf. w/McMilliam re: Northwest Pipeline
Total Partner Hours (RGB, MRS, WBM)		1.0		\$ 90.00
Total Associate Hours (JMC, CEB)		1.7		119.00
Total Energy Specialist Hours (RGH)		.8		48.00
Total Fees		3.5		\$ 257.00

PLEASE REMIT PAYMENT TO

1125 WEST SEVENTH AVENUE
ANCHORAGE, ALASKA 99501

SEWARD STREET
UNEAU, ALASKA 99801
(907) 586-2890
4400 JENIFER ST., N.W., SUITE 300
WASHINGTON, D.C. 20015
(202) 244-4250
TELEX 9-89-2591

LAW OFFICES
BIRCH, HORTON, BITTNER AND MONROE
1125 WEST SEVENTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 276-1550
TELEX 25-356

1200 AIRPORT HEIGHTS DRIVE, SUITE 520
ANCHORAGE, ALASKA 99504
(907) 279-9501
751 OLD RICHARDSON HWY., SUITE 349
FAIRBANKS, ALASKA 99701
(907) 452-1666

STATEMENT

COSTS

01/23	Delivery service	22.00
01/25	Copies	.90
02/01	Printing charges	171.82
02/09	Delivery service	23.00
02/14	Postage	79.26
02/21	Copies	27.00
02/22	Travel	7.50
02/22	Travel	44.73
02/22	Copies	13.70

Total Costs	\$ 389.91
Total Current Month	\$ 646.91
Balance Forward	5,073.05
Less Payment Received	-3,863.78
Less Payment Received	- 560.72
Total Amount Due	\$ 1,295.46

130 SEWARD STREET
ANCHORAGE, ALASKA 99501
(907) 586-2890
4400 JENIFER ST., N.W., SUITE 300
WASHINGTON, D.C. 20015
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TELEX 9-89-2591

1125 WEST SEVENTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 276-1550
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ANCHORAGE, ALASKA 99501
(907) 279-9501
751 OLD RICHARDSON HWY., SUITE 349
FAIRBANKS, ALASKA 99701
(907) 452-1666

STATEMENT



The Joint Interim Gas Pipeline Committee
% Mr. Gregg K. Erickson
State of Alaska
Legislative Affairs Agency
Pouch Y
Juneau, Alaska 99811

April 24, 1979

FOR PROFESSIONAL SERVICES RENDERED: March 1 - 31, 1979
BIRCH 001547.00

FEES

CONTACT	ATTY.	HRS.	DATE	DESCRIPTION
Miles	JMC	.8	02/28	Conf. w/Miles re: Committee work; dictate Memoranda and letters to Miles, Colletta, and Erickson
Miles	JMC	.1	03/01	Update information for monthly Miles Report
Miles	RGH	2.5	03/02	Update material for Miles and Colletta re: III
	RGB	.3	03/02	Conf. re: State Port Injunction; calls to Senator Colletta
Moen	RGH	.5	03/03	Obtain GSOP material
Miles	JMC	1.1	03/03	Confs. w/Miles, Colletta; research Trudeau meeting; attend Hearing on Capital Hill for Jackson
Miles	JMC	.4	03/05	Dictate letters to Miles, Colletta; send Washington Post article
Miles	RGH	2.5	03/05	Obtain material for Miles, Colletta re: III
Miles	RGH	2.0	03/06	Preparation, dictation re:

PLEASE REMIT PAYMENT TO

1125 WEST SEVENTH AVENUE
ANCHORAGE, ALASKA 99501

III, letters

Miles	JMC	1.1	03/06 Dictate letters to Miles and Colletta re: Recent Developments
Colletta	RGB	1.2	03/07 Analysis-report to Colletta
Chatterton	MRS	.3	03/07 Review Memorandum re: Royalty Gas
Colletta	RGB	.4	03/09 Conf. w/Colletta
Miles	JMC	.4	03/11 Dictate letters to all Committee Members re: FERC article Expediting Gas Pipeline
Erickson	JMC	1.1	03/12 Conf. w/Erickson; research
Erickson	JMC	3.0	03/13 Treasury FOIA Appeal-research and dictation
Miles	JMC	1.5	03/14 File FOIA Appeal; dictate letters to Miles, Colletta and Erickson
Erickson	JMC	1.0	03/14 Work on update of DOE Gas Line position; review Schleisinger Statements
Chatterton	MRS	.3	03/16 Review Royalty Gas Memorandum
Erickson	JMC	1.0	03/19 Dictate letter to K. Brown
Miles	GDS	.7	03/21 Review recent articles on Natural Gas Pipeline
	PL	6.0	03/21 Attend Audit Hearing of Subcommittee on International Economic Policy and Trade on McKinney Amendment
Miles	JMC	.7	03/22 Discuss Oil Export Hearing; dictate letter to client
Miles	GDS	.2	03/23 Call
Miles	RGH	2.2	03/23 Preparation re: Export material for Miles and Colletta
Miles	RGH	2.7	03/27 Dictate letters to Miles, Colletta, and Erickson re:

Exports

	GDS	.3	03/27 Review recent articles
Erickson	JMC	.6	03/28 Conf. w/Erickson re: Energy

Issues

Colletta	JMC	.8	03/29 Conf. w/Colletta, Miles
Total Partner Hours (RGB, MRS, WBM)		2.5	\$ 90.00
Total Associate Hours (JMC, CEB, GDS, PL)		20.8	1,456.00
Total Energy Specialist Hours (RGH)		12.4	<u>744.00</u>
Total Fees		35.7	\$ 2,425.00

COSTS

01/17	Phone	11.36
03/01	Travel	65.00
03/08	Xerox copies	.45
03/15	Copies	4.60
03/19	Travel	100.00
03/20	Travel	4.95
03/20	Travel	3.20
03/27	Xerox copies	21.00
Total Costs		\$ <u>210.56</u>
Total Current Month		\$ 2,635.56
Balance Forward		<u>1,295.46</u>
Total Amount Due		\$ 3,931.02

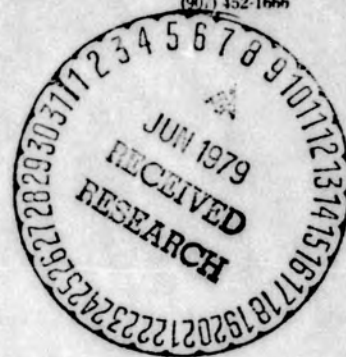
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BIRCH, HORTON, BITTNER AND MONROE

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STATEMENT

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The Joint Interim Gas Pipeline Committee
c/o Mr. Gregg K. Erickson
State of Alaska
Legislative Affairs Agency
Pouch "Y"
Juneau, Alaska 99811

May 24, 1979

FOR PROFESSIONAL SERVICES RENDERED: April 1 - 30, 1979
BIRCH 001547.00

FEES

CONTACT	ATTY.	HRS.	DATE	DESCRIPTION
Miles	RGH	1.5	03/29	Miles query on Canada-oil pipeline situation
Erickson (Follow-on work)	JMC	.2	04/04	Call from Rosenbaum at Treasury re: FOIA appeal
Erickson	JMC	.4	04/06	FOIA appeal-conf. w/Rosenbaum of Treasury Department re: inspection of documents and appeal time extension
Miles	PL	5.0	04/06	Research and dictation re: general obligation bonds
Miles	JMC	1.3	04/09	Work on research re: general obligation bonds
Miles	JMC	.9	04/10	Review research on G.O. constitutionality
Erickson	JMC	1.6	04/11	Negotiations w/Treasury for documents; read documents supplied
Colletta	RGB	.2	04/12	Conf. re: shipment of royalty oil to Israel
Miles	PL	6.0	04/12	Research and dictation re: general obligation bonds and pipeline
Miles	RGH	2.0	04/12	Research Canadian policy on oil pipelines
Miles	PL	3.0	04/13	Dictation and research re: general obligation bonds
Miles	JMC	1.8	04/13	Read case law; conf. w/bond specialists

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Colletta	JMC	.4	04/13 Preparation re: Alaska oil trade to Israel
Miles	PL	3.5	04/16 Research re: general obligation bonds
Erickson	JMC	2.1	04/16 Negotiations for Treasury documents w/Rosenbaum; arrange for delivery; research
Miles	MRS	.2	04/17 Conf. re: gas pipeline
Miles	PL	2.0	04/17 Research question of legality of state lending its credit to private corporation (general obligation bonds
Miles	JMC	1.0	04/17 Conf. w/Rosenbaum-Treasury re: documents; research re: general obligation; confs. w/Miles re: Northwest pipe work and Halloran
Miles	PL	1.5	04/18 Research re: validity of issuance of general obligation bonds
Miles	JMC	6.5	04/18 Dictate and proof general obligation memorandum and cover letters
Miles	PL	6.0	04/19 Dictation re: memorandum on general obligation bonds
Miles	JMC	1.1	04/19 Preparation re: general obligation bonds memorandum
Erickson	JMC	.1	04/27 Conf. w/Rosenbaum of Treasury re: documents availability
Colletta	JMC	2.5	04/30 Conf. w/economic attache from Israel Embassy re: Alaska oil trade; preparation re: memorandum
Colletta	JMC	1.0	04/90 Dictation re: memorandum
Total Partner Hours (RGB, JMC)			21.3 \$1,917.00
Total Associate Hours (PL)			27.0 1,890.00
Total Energy Specialist Hours (RGH)			3.5 210.00
Total Fees			\$4,017.00

COSTS

01/04	Phone	15.71
01/29	Telex	46.46
03/08	Telex	19.96
03/08	Telex	24.54
03/09	Phone	.32

03/09	Phone	50.18	
03/29	Telex	12.79	
04/03	Delivery service	27.50	
04/10	Travel	65.00	
04/19	Xerox copies	36.89	
04/19	Xerox copies	30.00	
04/20	Travel	134.00	
04/24	Travel	5.10	
04/24	Travel	5.10	
04/24	Travel	3.00	
04/25	Subscription fee	21.66	
12/05	Phone	9.36	
Total Costs			<u>\$ 507.57</u>
Total Current Month			\$4,524.57
Balance Forward			<u>3,931.02</u>
Total Amount Due			\$8,455.59

130 SEWARD STREET
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(907) 586-2800
1100 JENNER ST., N.W., SUITE 300
WASHINGTON, D.C. 20015
(202) 244-4250
TELEX 9-89 2591

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1200 AIRPORT HEIGHTS DRIVE, SUITE 520
ANCHORAGE, ALASKA 99504
(907) 279-9501
751 OLD RICHARDSON HWY., SUITE 349
FAIRBANKS, ALASKA 99701
(907) 452-1666

STATEMENT

The Joint Interim Gas Pipeline Committee
c/o Mr. Gregg K. Erickson
State of Alaska
Legislative Affairs Agency
Pouch "Y"
Juneau, Alaska 99811

June 24, 1979

FOR PROFESSIONAL SERVICES RENDERED: May 1 - 31, 1979
BIRCH 001547.00

FEES

CONTACT	ATTY.	HOURS	DATE	DESCRIPTION
Erickson	JMC	.4	05/01	Review additional Treasury documents supplied under FOIA appeal
Colletta	JMC	.7	05/02	Israel memorandum work
Miles	JMC	1.0	05/04	Attend Alaska energy conf. panel on future and financability of gas pipeline
Erickson	RGH	.8	05/07	Conference with Bregha; materials for Bregha, (Canada)
Miles	RGH	1.5	05/07	Updated analysis of FERC treatment and conditioning cost regulations
Erickson	JMC	.1	05/07	Call from Rosenbaum at Treasury re: FOIA letter
Miles	RGH	1.2	05/08	FERC regulations analysis
Miles/Erickson and Eppenbach	RGH	2.6	05/09	Material and preparation re: trip to New York City and D.C. of Legislators (Miles, Cotten, Gardiner)

Miles/Erickson and Eppenbach	RGH	1.0	05/10	Preparation re: memorandum and material on Legislative trip
Miles	JMC	.4	05/11	Northwest update for Miles
Miles	JMC	.3	05/11	Dictate letter to Erickson; call to Miles; update on Northwest
Miles/Erickson and Eppenbach	RGH	1.1	05/11	Legislative trip preparation
Miles	RGH	.6	05/14	FERC regulations
Colletta	JMC	.6	05/15	Work on Israel-Alaska oil trade memorandum; outline of memorandum
Colletta	RGB	.8	05/16	Conf. w/Senator Colletta re: trade of royalty oil to Israel
Colletta	JMC	1.2	05/17	Finalize all research and amendments; begin memorandum re: Israel
Colletta	JMC	4.9	05/18	Dictate, finalize and send client Israel report
Miles/Erickson and Eppenbach	RGH	1.2	05/18	Legislative meeting preparation
Miles/Erickson and Eppenbach	RGH	2.0	05/20	Meet w/Miles, Gardiner and Cotten re: trip to New York City and D.C.
Colletta	RGH	2.5	05/25	Research for Colletta on Seatrain testimony on McKinney Amendment
Miles	RGH	1.2	05/25	FERC regulations
Miles	MRS	.4	05/25	Review memoranda to JIPC
Colletta	BM	1.0	05/25	Research re: McKinney Amendment; conf. w/Senator Colletta
Colletta	RGH	1.1	05/29	Research on Colletta query Seatrain
Miles	RGH	.4	05/29	FERC regulations--continued analysis
Colletta	RGB	.2	05/30	Conf. w/Colletta
Total Partner Hours: (RGB, JCM, MRS, BM)			12.0	\$ 1,080.00
Total Energy Specialist Hours (RGH)			17.2	<u>1,032.00</u>
Total Fees				\$ 2,112.00

COSTS

05/02	Courier service	10.65	
05/17	Travel	17.30	
05/17	Xerox copies	8.40	
05/17	Expedited mail	80.31	
05/21	Telex	15.70	
05/22	Delivery service	11.00	
05/31	Travel	<u>6.50</u>	
Total Costs			<u>\$ 149.86</u>
Total Current Month			\$ 2,261.86
Balance Forward			<u>8,455.59</u>
Total Amount Due			\$10,717.45 ✓

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(907) 452-1666

STATEMENT

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

July 24, 1979

FOR PROFESSIONAL SERVICES RENDERED: June 1 - 30, 1979
BIRCH 001547

FEES

Colletta	BM	.6	06/01	Inter-office conf. re: testimony in Congress on Export Administrative Act and Senator Colletta
Miles	RGH	.5	06/01	FERC regulations
Miles	JMC	.4	06/01	Update; call to Miles; read Alaska oil to Israel article
Colletta	RGH	1.2	06/04	Dictate letter to Colletta and Miles w/FERC materials
Miles/Colletta	RGB	2.0	06/04	Attend meeting of JIPC
Miles/Colletta	RGH	1.8	06/04	Attend committee meeting
Miles	RGH	.8	06/06	FERC regulations-as per Miles' request
Miles	JMC	1.2	06/06	Update re: FERC and adminstration for report to Miles
Miles	RGH	.5	06/07	FERC regulations
Miles	JMC	.4	06/07	Read article on American Natural Resources addition to Northwest partnership; dictate memorandum on gas committments
✓ Miles	RGH	1.5	06/12	Analyze Order 31 (incen- tive rate of return)
Colletta	JMC	.3	06/12	Research Carl Rowan Article on oil to Israel; dictate memorandum to Colletta
✓ Miles	RGH	2.0	06/13	Analyze Order 31
Colletta	BM	.3	06/15	Dictate letter to Senator Colletta

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	MS	.4	06/15	Review bondable costs memorandum	
Miles	RGH	.3	06/18	FERC regulations	
	RGH	2.3	06/19	Research Sealand inquiry	
Miles	RGH	.4	06/19	FERC regulations	
Colletta	RGH	1.2	06/19	Seatrains query	
Miles	GDS	.1	06/19	Review of Presidential documents relating to Federal Inspectors	
Miles	RGH	2.1	06/20	Federal funding project-Miles and Colletta	
Miles	JMC	.2	06/20	Analyze recent Supreme Court case re: dedication of gas interstate	
Miles	RGH	.5	06/21	FERC regulations	
Miles	RGH	1.6	06/22	Federal financial alternative Miles/Colletta	
Miles	RGH	2.5	06/25	Federal funding-Miles/Colletta	
Miles	JMC	.1	06/25	Research general obligation bond article on gas line	
	JMC	.3	06/25	Research American Natural Resources Corporation report re: pipeline	
Total Partner Hours: (JMC, RGB, MS, BM)				8.0	\$ 720.00
Total Associate Hours: (GDS)				.1	7.50
Total Energy Specialist Hours: (RGH)				17.4	<u>1,044.00</u>
Total Fees					\$ 1,771.50

COSTS

05/22	Phone	15.34	
06/05	Xerox copies	9.60	
06/05	Travel	65.00	
06/11	Travel	306.08	
06/18	Travel	4.50	
06/19	Expedited mail service	22.00	
06/25	Telex	33.87	
06/26	Phone	<u>6.55</u>	
Total Costs			<u>462.94</u>
Total Current Month			\$ 2,234.44
Balance Forward			<u>10,717.45</u>
Total Amount Due			\$12,951.89

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

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

LEGISLATIVE AFFAIRS AGENCY
and
BIRCH, HORTON, BITTNER & MONROE
Amendment No. 1

- (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 paragraph (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.

LEGISLATIVE AFFAIRS AGENCY
and
BIRCH, HORTON, BITTNER & MONROE
Amendment No. 1

- (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:

<u>On Delivery of:</u>	<u>Amount Due:</u>
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 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), (C), (D), and (E). Purchase and reproduction costs of documents or publications obtained for and delivered to the Agency or

LEGISLATIVE AFFAIRS AGENCY
and
BIRCH, HORTON, BITTNER & MONROE
Amendment No. 1

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

LEGISLATIVE AFFAIRS AGENCY
Agency

Ronald B. Birch 8/30/79
RONALD BIRCH Date

M. R. Charney 8/6/79
M. R. CHARNEY Date
Executive Director

APPROVED:

APPROVED AS TO FORM:

Bill Miles 8/28/79
REP. BILL MILES Date
Project Director

Billy G. Berrier 8/24/79
BILLY G. BERRIER Date
Agency Legal Counsel

Mike Colletta
SEN. MIKE COLLETTA Date
Project Director

Joint Interim Gas Pipeline Committee

File - Contract

SEN. MIKE COLLETTA REP. BILL MILES
CO-CHAIRMAN CO-CHAIRMAN
SEN. FRANK FERGUSON REP. C. V. CHATTERTON
SEN. BILL SUMNER REP. TERRY GARDINER
EX-OFFICIO MEMBERS
MR. FRED BONESS MR. JACK BACHMAN

1016 WEST 6TH AVENUE, SUITE 435
ANCHORAGE, ALASKA 99501
(907) 274-8351



June 18, 1979

To: Rep. Bill Miles, Co-Chairman
Joint Gas Pipeline Committee

From: Mary Halloran
Research Analyst

Gregg Erickson, former director of Legislative Research, and I discussed the oil and gas contracts that were being administered by that Agency prior to its termination.

Four contracts relating to oil and gas are currently in effect:

1. Contract with Todd Doescher (reservoir model studies), expires 6/30;
2. Contract with Arlon Tussing (West Coast oil surplus), expires 6/30;
3. Contract with Birch, Horton, Bittner & Monroe (legal proceedings and regulatory matters), expires 6/30;
4. Contract with Alaska Environmental Information and Data Center, expires at the end of the second regular session of the Eleventh Alaska Legislature or June 30, 1980, whichever comes first.

Mr. Erickson's recommendations regarding these contracts were as follows:

1. The Doescher contract should be extended another six months so that the necessary work may be completed. The extension of the contract does not require any additional funds. \$20,000 was obligated for the contractual work under FY '79 funding. To date, approximately \$7,000 has been expended, leaving about \$13,000 for an additional six months work.
2. We did not discuss any extension of the Tussing contract.
3. There may need to be some clarification of the contractual status of the Birch firm. The Gas Pipeline Committee has asked the firm to submit another report at the Committee's August meeting. The funds for this contract, however, are already overexpended, according to Mr. Erickson. A letter is being sent to Mr. Birch asking for an estimate of the cost of the additional work requested.
4. The AEIDC contract needs no changes.

In addition, Mr. Erickson and I discussed two other appropriations/contractual matters which need the legislators' attention.

June 18, 1979 - 2

First, the Legislature appropriated \$150,000 to Legislative Research for a study of the instate uses of natural gas. With the dissolution of the Agency, the appropriation should probably be handled by the Joint Gas Pipeline Committee. Plans for those funds should be made quickly if they are to serve the purpose for which they were intended, i.e. to protect the State's interest regarding its use of its royalty gas and gas liquids during the Federal Energy Regulatory Commission's proceedings this summer and fall.

Second, Larry Eppenbach, formerly under contract to the Legislative Research Agency, has done extensive work on a field benefits model. Mr. Erickson reported that Eppenbach has done a first cut on the results which shows various options and the costs of each. To finish the work, it was suggested, Mr. Eppenbach should be placed on a short, three to four week contract.

In summary, action is needed very quickly on the Doescher contract, the Birch firm contract, and the appropriation for study of instate use of natural gas. Prompt action on any additional contract for Mr. Eppenbach should probably take place also before he makes prior professional commitments.

cc: Sen. Mike Colletta
Co-Chairman

STATE OF ALASKA THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 5, 1979

SUBJECT: Legislative Council Review of Activities Pertaining to the
West Coast Surplus and Gas Pipeline Financing Studies

TO: The Honorable George Hohman, Chairman
Legislative Council

FROM: Gregg K. Erickson
Director of Research

In our conversation last Thursday, you directed that we proceed as follows with respect to the West Coast oil surplus studies and the natural gas pipeline financing studies:

1. All on-going work should proceed in accordance with existing contracts.
2. Any additional contracts or new work requiring funding from Research Division appropriations or other sources under the Council's jurisdiction should be held in abeyance until presented to the Council for review at its next meeting, tentatively scheduled for this week.
3. We should provide you with our recommendations concerning further work required in these areas.

With respect to this last point, we recommend and request your approval to execute two contracts, a Prudhoe Bay gas supply economics study with H. K. van Poolen & Associates for \$60,000, and a \$35,000 amendment to the existing contract with Arlon R. Tussing & Associates related to the West Coast oil surplus issue. These are described more fully below.

West Coast Surplus Studies

Due to our cancellation of the contract with Battelle Northwest, on which you have already been briefed, approximately \$58,000 of the original \$202,000 appropriation for this purpose remains unexpended and unencumbered. We propose that \$35,000 of this money be obligated by an amendment to our current contract with Arlon R. Tussing & Associates. Efforts under this contract with respect to resolving the West Coast surplus have met with a good deal of preliminary success, and we believe that additional work as described in Dr. Tussing's letter to you of February 2, 1979 is extremely important if this project is to come to fruition.

Gas Pipeline Financing Studies

A total of \$475,000 was appropriated to the Research Division for costs associated with the study of direct financial participation in the Northwest Alaska pipeline project. Approximately \$126,000 of this appropriation is unexpended and unobligated, although some of the outstanding contracts have cancellation provisions which could increase this amount. In addition, a study of the economics of supplying gas from the Prudhoe Bay field has been approved in principle, and this would reduce available funds by \$60,000. Listed below in summary form are the major outstanding contracts. Where individuals other than the Director of Research have been designated as project director, that designation is revokable by letter to the contractor.

1. The Institute of Social and Economic Research is under contract with us for a study of pipeline financibility and gas marketability. The work is more than half complete, with two reports already having been published by the Agency and submitted to the Legislature. Two additional reports are scheduled, one for the end of this month, and the fourth and final report at the end of March, 1979. The Director of Research is the designated project director.
2. A contract with the Merrill Lynch/White Weld Capital Markets Group obligates a total amount of \$125,000 for a study of the state's present framework of taxes, contracts and regulations, and the strengths and weaknesses of alternative institutional frameworks under which oil and gas resource development could take place in Alaska. Phase I of the report is to be completed by March 6, 1979. The Agency has the right to terminate this contract after completion of Phase I and total payment to the contractor of \$75,000. In accordance with the action of the Joint Gas Pipeline Financing Committee, Rep. Terry Gardiner has been designated as the acting project director.
3. The Birch, Horton, Bittner, and Monroe contract, in the amount of \$35,000, is proceeding in two parts. The first of these, at a fixed fee of \$23,333, is for a preliminary and a final report on a number of issues related to Alaska's participation in the gas pipeline project. The second part, for \$11,667, covers the hourly costs of "spot research." In accordance with the action of the Joint Committee on Gas Pipeline Financing, Rep. Bill Miles has been designated as project director for this contract. Under certain circumstances of late performance, this contract may be terminated before expenditure of the full obligation.
4. The amount of \$20,000 has been obligated under a contract with the Doschers Group, Inc. for on-going review of reservoir engineering studies related to the production of gas from the Prudhoe Bay reservoir, particularly the studies being conducted

February 5, 1979

by H. K. van Poolen & Associates for the Alaska Oil and Gas Conservation Board. This contract may be terminated by written notice from us to the contractor. The contract is being supervised by the Director of Research.

5. In addition to these major contracts, there are several miscellaneous obligations, the aggregate total of which is less than \$12,000.

We recommend that \$60,000 of the unexpended gas pipeline financing appropriation be encumbered to cover a contract with H. K. van Poolen & Associates, reservoir engineering consultants of Denver, Colorado, for the purpose of assisting in an analysis of the economic implications for the state and for the Prudhoe Bay field of selling natural gas from that field. This study is to be done in conjunction with the Division of Minerals and Energy Management (DMEM) of the Department of Natural Resources, and was approved in principle by the Joint Gas Pipeline Financing Committee. Agreement on how this work is to proceed was reached at a meeting Thursday in my office with DMEM, H. K. van Poolen representatives, and ourselves. A description of the work as described by van Poolen is attached. We believe this work is extremely crucial and request your approval for executing this contract at the end of this week. We will be happy to provide any further information on these matters.

GKE:jm

Enclosures: Tussing letter of 2/2/79
ISER Contract with Attachment
Merrill Lynch/White Weld Contract
Birch, Horton, Bittner and Monroe Contract
Doschers Group, Inc. Contract
H. K. van Poolen Proposal

cc: The Honorable Joe McKinnon, Vice Chairman
Myrton Charney, Executive Director

Arlon Tussing and Associates
Suite 210
880 H Street
Anchorage, AK 99501

February 2, 1979

The Honorable George Hohman
Chairman, Legislative Council

Dear Senator Hohman:

As you are no doubt aware, the work on the West Coast oil surplus has been extremely productive. This effort was initiated by the legislature in 1978, and is now carried on principally by the state administration with my assistance as consultant for the legislature.

I am currently working on the project without assurance of compensation or reimbursement of expenses, since funding under the current contract for consulting services between Arlon R. Tussing and Associates and the Legislative Affairs Agency, dated August 8, 1978, was exhausted in December, 1978. Continuing the present effort will require my participation over the first half of 1979 at about the same level as in the previous period, and I request, therefore, that the contract be amended to add \$35,000 to the funding limit, for a total of \$70,000 over the course of the year (July 1978 through June 1979).

I have discussed this with Mr. Erickson and either he or I will be happy to respond to any questions you may have.

Sincerely,

Arlon R. Tussing
Consultant

ART:dh

cc: Gregg K. Erickson
Director of Research
Legislative Affairs Agency

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

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:

<u>On Delivery of:</u>	<u>Amount Due</u>
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.

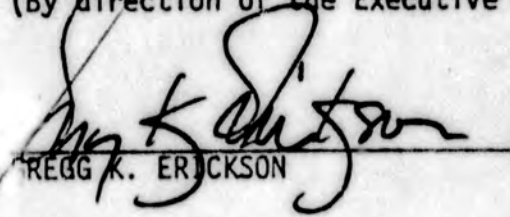
IN WITNESS WHEREOF, the parties have executed this agreement on the dates noted next to their signatures.

BIRCH, HORTON, BITTNER AND MONROE

LEGISLATIVE AFFAIRS AGENCY
(By direction of the Executive Director)

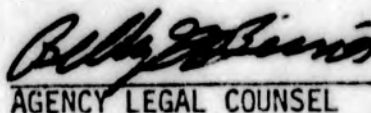

RONALD BIRCH

10/22/78
Date


REGG K. ERICKSON

10/16/78
Date

Approved as to form.


AGENCY LEGAL COUNSEL

10/19/78
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.**

CONTRACT BETWEEN
STATE OF ALASKA
AND
UNIVERSITY OF ALASKA
INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH

The parties of this agreement are the LEGISLATIVE AFFAIRS AGENCY, on behalf of the Alaska State Legislature, hereinafter referred to as the "Agency", and the UNIVERSITY OF ALASKA, INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH, hereinafter referred to as the "Contractor".

THE PURPOSE OF THIS AGREEMENT is to provide the Legislature and the State with economic consulting services in the area of natural gas policy.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I. - STATEMENT OF WORK

The Contractor shall study and analyze the marketability of North Slope gas and the financiability of the Alaska Highway Gas Transportation System, and prepare reports thereon in the manner described in the Contractor's proposal to the Agency dated August 16, 1978, hereinafter referred to as the "Proposal". In the event of any conflict between the proposal and this agreement, this agreement shall govern.

CLAUSE II. - PERIOD AND DATES OF PERFORMANCE

- (A) The period of this contract shall begin on the date it is executed by all parties and terminate on 30 June 1979 unless extended by written agreement or terminated in accordance with this clause.
- (B) This contract may be terminated by written notice from either party to the other.
- (C) All reports called for in the Proposal shall be delivered within the time frames described in the Proposal. As used in the Proposal, the term "contract date" shall be interpreted to mean the date this contract was executed by the Agency.

CLAUSE III. - PROJECT DIRECTOR

The Project Director shall be Gregg K. Erickson, Director of Research, Legislative Affairs Agency, Pouch Y, Juneau, AK 99811, or his designee.

CLAUSE IV. - COMPENSATION AND METHOD OF PAYMENT

- (A) The Contractor shall receive compensation at the rates provided in the pro forma budget attached to the proposal, but in no case shall Contractor's total compensation for all work described in the proposal exceed \$85,000, inclusive of all costs and expenses. Air travel shall be reimbursed at coach class rates and per diem at generally applicable University rates. Except as provided in the pro forma budget in the form of overheads and under the item "office expenses, other contractual services" no additional compensation for or reimbursement of office expenses shall be made. Total payments under the "office expenses, other contractual services" category shall not exceed \$8000 (as noted in the pro forma budget) without prior written authorization from the Project Director.
- (B) In the event that this contract is terminated by notice from the Agency to the Contractor (unless this notice is given after Contractor's failure to deliver a written report within the specified time frame as described in the Proposal), the Contractor shall be compensated for all work done, and reimbursed for all expenses incurred, and shall additionally be paid an amount calculated by subtracting total compensation and expenses from \$85,000 and multiplying the remainder by one-tenth (0.1).
- (C) In the event this contract is terminated by notice from the Contractor to the Agency, or if notice of termination is given by the Agency after Contractor's failure to deliver a report within the specified time frame as described in the Proposal, the amount due the Contractor shall be reduced by an amount equal to ten percent (10%) of the total compensation for work done and expenses incurred up to the date of termination.

CLAUSE V. - PROGRESS REPORTS

The Contractor shall keep the Project Director informed as to the progress of the work performed under this agreement.

CLAUSE VI. - RECORDS, DOCUMENTS, AUDIT

All documents, reports and writings produced in the course of the work performed under this contract are, upon delivery to the Agency or at termination of this agreement, whichever occurs first, the property of the Agency.

CLAUSE VII. - CONFIDENTIALITY

It is contemplated that all written work produced under this contract will be made public. However, the Agency shall have complete discretion to determine the time and manner of public release.

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 noted.

UNIVERSITY OF ALASKA, INSTITUTE
OF SOCIAL AND ECONOMIC RESEARCH

LEGISLATIVE AFFAIRS AGENCY
(By direction of the Executive Director)

E. Lee Gorsuch
E. LEE GORSUCH

8/28/78
Date

Gregg K. Erickson
GREGG K. ERICKSON

8/24/78
Date

ACCEPTED: UNIVERSITY OF ALASKA

Approved as to form:

Howard A. Cutler
HOWARD A. CUTLER
apf Chancellor

8/31/78
Date

Billy Brown
AGENCY LEGAL COUNSEL

8/24/78
Date

Attachment: Contractor's proposal dated 16 August 1978

CONTRACT BETWEEN

STATE OF ALASKA

LEGISLATIVE AFFAIRS AGENCY

AND

MERRILL LYNCH WHITE WELD CAPITAL MARKETS GROUP

orig to Pat C.
Copied to: Research file
~~White Weld~~
Terry Gardiner
Executive Dir
* see memos of 12/29 &
1/5

The parties to this agreement are the Legislative Affairs Agency, Pouch Y, Juneau, Alaska, 99811, hereinafter referred to as the "Agency", and the Merrill Lynch White Weld Capital Markets Group of Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, New York, 10080, hereinafter referred to as the "Contractor".

THE PURPOSE OF THIS AGREEMENT is to provide the Alaska State Legislature and its Joint Interim Committee on Gas Pipeline Financing with specialized consulting services with respect to oil and gas development policy.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I - STATEMENT OF WORK

- (A) The Contractor shall review Alaska law and administrative policy and compare the state's present framework of taxes, contracts and regulation to those of other states, governments and organizations functioning as major petroleum resource owners. The Contractor shall prepare an initial report describing the strengths and weaknesses of alternative institutional frameworks under which oil and gas resource development could take place in Alaska. The alternatives shall be chosen by the Contractor with respect to:
- (1) The degree they might reduce the adversarial nature of the state-industry relationship;
 - (2) Sufficiency of state revenue;
 - (3) The ability to assure the state a continuing flow of information on oil and gas development sufficient to make decisions concerning that development;
 - (4) Enhancing the role of the state in determining the pace of oil and gas activity;
 - (5) The minimization of dead weight administrative and resource costs;

- (6) Improved interrelation of community, employment and environmental considerations in oil and gas development decisions;
- (7) The adaptability of the system to the provision of direct returns to the citizens of Alaska from oil resource development.

The Contractor shall appear before committees of the legislature as designated by the Project Director to explain and provide testimony on the several alternative institutional structures described in the written initial report.

- (B) After receipt of the initial written report the Project Director shall notify the Contractor in writing of the institutional alternative to be given more detailed examination. The Contractor shall then prepare and submit a detailed final written report on how that alternative should be implemented, and provide testimony thereon before committees of the legislature designated by the Project Director.
- (C) In preparing the report, the Contractor will rely on information supplied by representatives of the State or third parties and will not independently verify the accuracy or completeness of such information.

CLAUSE II - PERIOD OF PERFORMANCE

- (A) The Contractor shall submit the completed initial report to the Agency within 60 days of the signing of this contract on behalf of the Agency.
- (B) The Contractor shall submit the final written report to the Agency on a mutually agreed upon date after receiving the written notice from the Project Director designating the institutional alternative to be studied in depth.

- (C) Unless terminated earlier in accordance with (D) of this Clause this contract terminates on 30 June 1979.
- (D) This contract may be terminated by written notice to the Contractor from the Project Director at any time after the submission of the initial written report and before the Project Director gives the Contractor the written notice to proceed with the work described in Clause I(B).

CLAUSE III - PROJECT DIRECTOR

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

CLAUSE IV - COMPENSATION AND METHOD OF PAYMENT

- (A) Contractor's compensation for preparation and submission of the initial written report and work described in Clause I(A) shall be \$75,000, payable on submission of the report.
- (B) Contractor's compensation for preparation and submission of the final written report and work described in Clause I(B) shall be \$50,000, payable on submission of the report.
- (C) All expenses including travel expenses, office space, equipment, and all other goods and services required by the Contractor to carry out the Contractor's obligations under this contract shall be supplied by the Contractor at no cost to the Agency. However, the Agency shall assist the Contractor in obtaining relevant background material available in Alaska.
- (D) Total payments to the Contractor under this contract shall not exceed \$125,000.

CLAUSE V - PROGRESS REPORTS

The Contractor shall keep the Project Director informed as to the progress of the work performed under this agreement and shall provide progress reports as specified by him.

CLAUSE VI - CONFLICT OF INTEREST

- (A) Except as described in Contractor's letter to the Agency dated December 20, 1978, Contractor affirms that it does not 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

or any firm or organization which, to Contractor's knowledge, holds an interest in oil or 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 December 20, 1978, or otherwise tend to create a conflict of interest.

CLAUSE VII - ALL WORK PROPERTY OF THE AGENCY

All documents, reports and writings produced in the course of the work performed under this contract are upon delivery to the Agency or termination of this contract the property of the Agency.

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.