

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILE 8672
1933 SCOMM 76: HOUSE SPEC. COMM. EXXON VALDEZ OIL SPILL. . 1991-92

150

April 12, 1991
Page Three

b. Should restoration funds be used to pay cleanup costs?

Today, more than two years after the spill, oil remains trapped in sediments and gravel. More cleanup may occur this summer. Under the proposed agreement, any future cleanup activities (and certain past cleanup costs) will be paid for by the Fund established to finance restoration activities. This will create a direct tension between cleanup funding and restoration funding -- an "either-or" scenario even though the Clean Water Act requires both.

The adequacy of this arrangement depends upon the sufficiency of funds to cover both obligations. Once again, no good conclusion can be made about this aspect of the agreement without better information on projected cleanup costs and restoration costs.

We, like the public, are not able to make a good judgment about the monetary adequacy of the proposed settlement. That is important, but it is far more important that the court have access to all the documents it needs to make that judgment. Those documents must include more than a summary of the injuries to natural resources that have occurred, but also an expert evaluation of the cost of restoring those injuries, acquiring equivalent resources, if necessary, and providing compensation for lost use and other values pending restoration. We urge you to withhold approval of the settlement unless and until that information has been provided to the court.

2. THE PUBLIC'S NEED TO KNOW.

As mentioned above, the trustees have refused to release their evaluations of the scope and severity of the injury to natural resources resulting from the spill. This refusal is based on the claim that disclosure would jeopardize the proposed settlement and is covered by a loosely construed attorney-client privilege.

We agree that the trustees are entitled to maintain the confidentiality of a limited amount of detailed information gathered or prepared specifically to assist the prosecution of a pending case and that would, if publicly revealed, seriously undermine their legal position. That entitlement is an extremely narrow one in our judgment, however, and should never again be interpreted as broadly as it has been by the trustees in the present case.

April 12, 1991

Page Four

The fact is that the trustees in this instance developed a virtual obsession about secrecy. That obsession undermined the effectiveness and coordination of oil spill response and damage assessment efforts and unnecessarily limited public access to information on matters as important as public health. The sharing of scientific data and the dissemination of expert opinions is vital to maintain public confidence and ensure the effectiveness of response actions. In this case, the trustees operated with a degree of secrecy for which there was no practical or legal justification.

It is important to remember that the information available to the Executive branch concerning natural resource injuries in the EXXON VALDEZ case was gathered pursuant to public law, by public personnel and at public expense. The information pertains to resources that are publicly managed, publicly owned and subject to public trusteeship under federal law. Accordingly, we believe that citizens deserve access to the information whether they desire simply to assess the merits of the deal worked out by the trustees or to make a more informed judgment about their own legal options.

Consequently, we urge you to solicit an enforceable commitment from the Federal Government that all information available to it concerning the scope and nature of injuries done to natural resources as a result of the oil spill, including documents that place an estimated dollar value on those injuries and the costs of restoration, will be made public promptly subsequent to approval of any proposed settlement.

3. THE TRUSTEES MUST CLARIFY VAGUE COMMITMENTS ABOUT HOW THE FUNDS WILL BE SPENT.

The proposed settlement and Memorandum of Agreement between the Federal and state trustees provide only a vague and inadequate description of the purposes for which the recovered monies will be spent and the manner in which decisions about spending priorities will be made. We therefore recommend to the court that it seek substantial further clarifications from the trustees on these matters.

The effect of the consensus decisionmaking approach proposed for the Trustee Council will be to allow each Federal and state representative to veto any proposal by any participant. In the event that the obligations of the Federal and state trustees under Federal and state law are not identical, the Trustee Council may be operating under a set of dual and potentially conflicting obligations. Under section 311 of the Clean Water Act, recovered funds must be used to solely to restore,

April 12, 1991
Page Five

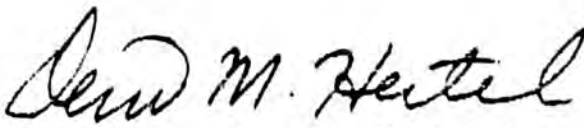
rehabilitate or acquire the equivalent of the damaged natural resources. We encourage the Court to make it clear that this limitation must be strictly adhered to by the trustees. The restoration fund is not to be viewed as a general fund to finance favorite projects or to conduct assessments in perpetuity.

We also urge you to solicit a clearer commitment from the Federal and state trustees for public participation in the natural resource damage restoration process. As you know, the proposed Memorandum of Agreement and Consent Decree provides that the Trustees shall ensure "meaningful public participation", including the "possible" establishment of a public advisory group. We believe a more detailed commitment should be made before the agreement becomes final.

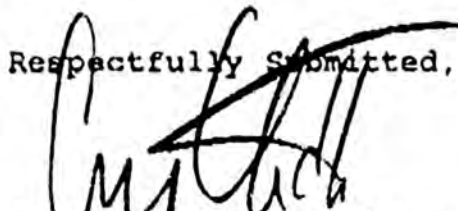
CONCLUSION

We appreciate the opportunity to provide the court with our recommendations on the proposed settlement. While we value and applaud the attempt by the litigants to settle their differences, we believe that certain clarifications are necessary before the proposed settlement is approved. We respectfully urge the court to seek those clarifications prior to taking final action on the agreement.

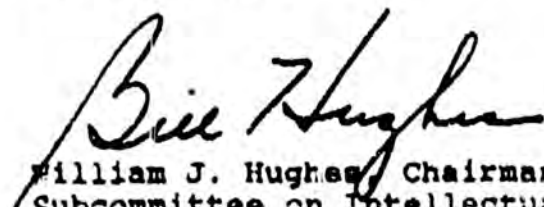
Respectfully Submitted,



Dennis M. Hertel, Chairman
Subcommittee on Oceanography,
Great Lakes and the Outer
Continental Shelf
Committee on Merchant Marine
and Fisheries



Gerry E. Studds, Chairman
Subcommittee on Fisheries and
Wildlife Conservation and the
Environment
Committee on Merchant Marine
and Fisheries



William J. Hughes, Chairman
Subcommittee on Intellectual Property
and Judicial Administration
Committee on the Judiciary

The Honorable H. Russel Holland
U.S. District Judge
U.S. District Court
222 West 7th Avenue
Anchorage, Alaska 99513

Enclosures

Alaska State Legislature

House of Representatives



P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 465-3718

Official Business

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 15, 1991

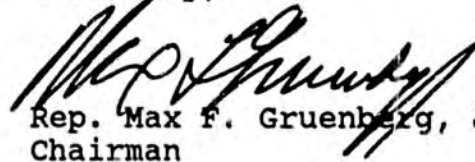
Attorney General Charles Cole
Capitol Building Room 412
Juneau, Alaska

Dear Mr. Cole:

The Special Committee has several specific matters that it would like to discuss in a public session with representatives of the Exxon Corporation.

We would appreciate your assistance in making a formal request for their appearance this week before the Special Committee.

Cordially,


Rep. Max F. Gruenberg, Jr.
Chairman



U.S. Department of Justice

Environment and Natural Resources Division

100 of the Assistant Attorney General

Washington, D.C. 20530

April 9, 1991

Honorable Max F. Gruenberg, Jr.
Chair, House Special Committee on the
Exxon Valdez Oil Spill Claims Settlement
P.O. Box V
State Capitol, Room 216
Juneau, Alaska 99811

Dear Mr. Gruenberg:

We appreciate your courtesy in inviting representatives of the Departments of Justice, Interior, and Agriculture, the National Oceanic and Atmospheric Administration (NOAA), and the Environmental Protection Agency (EPA) to testify before your Special Committee concerning the settlement agreements entered into by the United States, the State of Alaska, and Exxon Corporation and related entities (Exxon) with respect to the EXXON VALDEZ oil spill. For the reasons outlined below, we respectfully decline to provide testimony at this time. However, I am enclosing for your consideration a copy of the statement that I submitted to three subcommittees of the Committee on Merchant Marine and Fisheries of the United States House of Representatives for a hearing on March 22, 1991. I understand that NOAA, EPA, and the Departments of Interior and Agriculture will also send the Select Committee the statements that they submitted for that hearing.

We understand that the primary object of your invitation to this Department and the other Federal agencies was to obtain answers on behalf of the Federal government to three extensive lists of detailed questions attached to your letter of April 4, 1991 to Alan Raul. Most of these questions concern the legal interpretation of the civil consent decree among the United States, the State, and Exxon, the criminal plea agreement between the United States and Exxon, or the Memorandum of Agreement (MOA) between the United States and the State. It would be practically impossible for the Department or any of the other agencies to prepare responses to these questions by April 11 or 12, as you have requested. More fundamentally, a substantial number of these questions relate to issues that will need to be resolved (potentially in litigation) on the basis of specific factual

circumstances as the agreements are implemented, and attempting to address them now in the abstract is likely only to lead to confusion or unnecessary hypothetical disagreement. Thus, we do not think it would be appropriate for the United States to take formal positions on many of the Committee's questions of interpretation, particularly at this sensitive stage when the agreements are still awaiting approval. A number of other questions relate to matters of Alaska state law, on which we would not wish to hazard an opinion.

Indeed, we think it most appropriate in these circumstances to defer to the Alaska Attorney General and the Governor of Alaska for responses to the Select Committee's specific questions. We understand the Select Committee previously propounded a very similar set of questions to Attorney General Charles Cole, and that General Cole provided responses at a hearing or hearings of the Committee. While we have not seen Mr. Cole's specific answers, he has advised us generally of their substance, and we concur generally in his views. We are not aware of anything in General Cole's responses that we would materially disagree with or that requires supplementation at this stage.

The enclosed statement from the federal congressional hearing last month gives the Select Committee my perspective on these proposed settlements. As you know, a summary of the government's current understanding of the injuries resulting from the EXXON VALDEZ oil spill has been filed in the federal criminal case and is available to the public. I am enclosing a copy of that summary for your convenience.

Sincerely yours,



Richard B. Stewart
Assistant Attorney General
Environment & Natural Resources
Division

Enclosure

cc: Thomas A. Campbell
Vern Wiggins
Martin Suuberg
Alan Raul
LaJuana Wilcher
Charles E. Cole

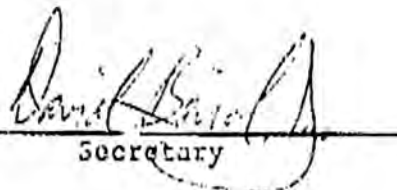
At a meeting of the Executive Committee of the Board of Directors of Exxon Corporation, duly called and held at 225 East John W. Carpenter Freeway, Irving, Texas, on March 8, 1991, at which a quorum was present and voting, the following resolutions were presented and, on motion made and seconded, duly adopted:

"RESOLVED, That each of the proper officers of and Patrick Lynch, John Clough, III and Edward J. Lynch, counsel for the Corporation, be, and each of them hereby is authorized, in the name and on behalf of the Corporation, to enter into plea agreements, settlement agreements, consent judgments and other related agreements to terminate the pending United States criminal action and present and anticipated United States and State of Alaska civil actions against the Corporation arising out of the 1989 EXXON VALDEZ accident, as well as in representing the Corporation in all matters relating to the change of plea and sentencing process and related pending and potential suits and counterclaims by the Corporation against the United States and the State of Alaska, all of the foregoing agreements and judgments to be upon such terms and conditions and in such form as such officer or counsel shall determine to be in the best interests of the Corporation, such determination to be conclusively evidenced by execution and delivery thereof.

RESOLVED, That, subject to appropriate action by subsidiaries of the Corporation to authorize agreements and consent judgments substantially similar to the agreements and judgments to which the preceding resolution refers, the Corporation takes no exception to such subsidiaries entering into such agreements or judgments, and that each proper officer of and the aforesaid counsel for the Corporation be, and each of them hereby is, authorized, in the name and on behalf of the Corporation, to guarantee any payments to be made by such subsidiaries under agreements and judgments into which they enter."

I HEREBY CERTIFY, That the foregoing is a true record from the minutes of the meeting of the Executive Committee of the Board of Directors of Exxon Corporation.

WITNESS my hand and the seal of the Corporation at
Irving, Texas, this 5th day of March, 1991


Secretary

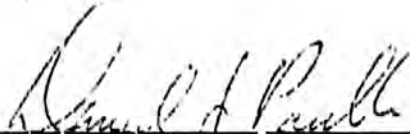
At a meeting of the Board of Directors of Exxon Shipping Company, duly called and held at 800 Bell, Houston, Texas, on March 8, 1991, at which a quorum was present and voting, the following resolution was presented and, on motion made and seconded, duly adopted:

RESOLVED, That each of the proper officers of and counsel for Exxon Shipping Company be, and each of them hereby is authorized, in the name and on behalf of the Company, to enter into plea agreements, settlement agreements, consent judgments and other related agreements to terminate the pending United States criminal action and present and anticipated United States and State of Alaska civil actions against the Company arising out of the 1989 Exxon Valdez accident, as well as related pending and potential suits and counterclaims by the Company against the United State and the State of Alaska, all of the foregoing agreements and judgments to be upon such terms and conditions and in such form as such officer or counsel shall determine to be in the best interests of the Company, such determination to be conclusively evidenced by execution and delivery thereof.

I HEREBY CERTIFY, That the foregoing is a true record from the minutes of the meeting of the Board of Directors of Exxon Shipping Company.

WITNESS my hand and the seal of Exxon Shipping Company at Houston, Texas, this 14th day of March, 1991.

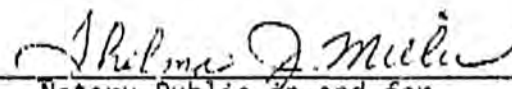
(Corporate Seal)


Secretary

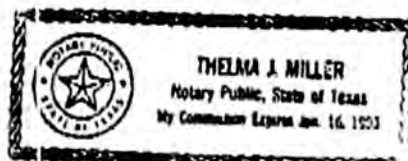
STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on March 14, 1991, by D. J. Paul, Secretary of Exxon Shipping Company, a Delaware corporation, on behalf of said corporation.

(Notary Seal)


Notary Public in and for
the State of Texas

MH03013



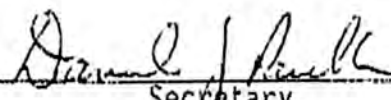
At a meeting of the Board of Directors of Exxon Shipping Company, duly called and held at 800 Bell, Houston, Texas, on March 14, 1991, at which a quorum was present and voting, the following resolution was presented and, on motion made and seconded, duly adopted:

RESOLVED, That each counsel for Exxon Shipping Company, James F. Neal, James F. Sanders, Robert C. Bundy, and E. Edward Bruce, be, and each of them hereby is authorized, in the name and on behalf of the Company to represent the Company in all matters concerning the change of plea and the sentencing process, as provided for in the Plea Agreement dated March 13, 1991, in full settlement of cause number A90-015 CR., United States of America v. Exxon Shipping Company and Exxon Corporation, U.S. District Court, District of Alaska.

I HEREBY CERTIFY, That the foregoing is a true record from the minutes of the meeting of the Board of Directors of Exxon Shipping Company.

WITNESS my hand and the seal of Exxon Shipping Company at Houston, Texas, this 14th day of March, 1991.

(Corporate Seal)


Secretary

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on March 14, 1991, by D. J. Paul, Secretary of Exxon Shipping Company, a Delaware corporation, on behalf of said corporation.

(Notary Seal)


Notary Public in and for
the State of Texas
 THELMA J. MILLER
Notary Public, State of Texas
My Commission Expires Jan. 12

Alaska State Legislature

House of Representatives



Official Business

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 465-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement April 2, 1991

Senator Richard I. Eliason
Capitol Room 111
Juneau, Alaska

Dear Dick:

In order to eliminate as much as possible any duplication in the ongoing House and Senate reviews of the Exxon Valdez settlement, I hope we can arrange joint sessions for public comment, and coordinate the testimony of any representatives of the federal government or Exxon who we may both wish to hear from.

I've attached a copy of a tentative schedule for the House Committee, and I'd appreciate your advice as to how we can adjust it to meet your timetable.

If you'd like to meet jointly on the meetings you have scheduled for the 6th and the 13th, or for the meetings we have tentatively planned for the 14th and 15th, I would like to issue a joint press release as soon as possible in order to ensure maximum public participation.

Please let me know how you'd like to proceed.

Cordially

A handwritten signature in dark ink, appearing to read "Max F. Gruenberg, Jr.".

Max F. Gruenberg, Jr.

Alaska State Legislature

House of Representatives



Official Business

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 463-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 3, 1991

Charles A. DeMonaco, Esq.
Assistant Chief, Environmental Crimes Section
United States Department of Justice
PO Box 23985
Washington, D.C. 20026-3985

Dear Mr. DeMonaco:

The Alaska House of Representatives has established the Special Committee on the Exxon Valdez Oil Spill Claims Settlement to review the agreements entered into by representatives of the State, the United States and Exxon Corporation.

The Special Committee has heard testimony from the Alaska Attorney General and has scheduled appearances by representatives of the state agencies affected by the settlement agreement. We would very much like to hear testimony from representatives of the federal agencies involved (EPA, NOAA, Interior and Agriculture), as well as from representatives of the Justice Department.

I have tentatively scheduled the federal representatives to appear before the Special Committee on Thursday, April 10, from 8-10 a.m., and on Friday, April 11, from 12-2 p.m.

I have asked the Special Committee staff to prepare a list of questions to focus the representatives' discussion. Committee members may have additional questions at the time of the hearing.

In order to coordinate appearances, please contact Andy Hemenway at (907) 465-4945; his Fax number is (907) 465-2444. We very much appreciate your cooperation in facilitating our review of the settlement agreement.

Cordially,

Rep. Max F. Gruenberg, Jr.

WALTER B. JONES, NORTH CAROLINA, CHAIRMAN

JERRY E. STUDS, MASSACHUSETTS
 CARROLL HUGHES, JR., KENTUCKY
 WILLIAM J. HUGHES, NEW JERSEY
 EARL HUTTS, FLORIDA
 BRAY TAYLOR, LOUISIANA
 THOMAS M. FOSLUETTA, PENNSYLVANIA
 DENNIS M. HERTZ, MICHIGAN
 WILLIAM O. LIPINSKI, ILLINOIS
 ROBERT A. BORSKI, PENNSYLVANIA
 THOMAS A. CARPER, DELAWARE
 ROBIN TALLON, SOUTH CAROLINA
 SOLOMON P. ORTIZ, TEXAS
 CHARLES E. BENNETT, FLORIDA
 THOMAS J. MANTON, NEW YORK
 OWEN S. ROCKETT, VIRGINIA
 GEORGE J. HOCHSTETTER, NEW YORK
 BOB CLEMENT, TENNESSEE
 STEPHEN J. SOLARZ, NEW YORK
 FRANK PALLONE, JR., NEW JERSEY
 BRUCE LAUGHLIN, TEXAS
 RITA M. LOWEY, NEW YORK
 JOSEPH LINCOLN, WASHINGTON
 GENE TAYLOR, MISSISSIPPI
 GLENN M. ANDERSON, CALIFORNIA
 HERB ASHROBORN, HAWAII
 JOHN F. REED, PUERTO RICO
 WILLIAM J. JEFFERSON, LOUISIANA
 EMI F.H. FALCONARI/ASSA, AMERICAN
 SAMOA

ROBERT W. DAVIS, MICHIGAN
 DEN YOUNG, ALASKA
 NORMAN F. LENT, NEW YORK
 JACK FIELDS, TEXAS
 HERBERT M. BATESMAN, VIRGINIA
 JIM EASTON, NEW JERSEY
 HIRSHAD COBLE, NORTH CAROLINA
 CURT WELDON, PENNSYLVANIA
 WALLY HERBER, CALIFORNIA
 JAMES M. UNKOFF, OKLAHOMA
 PORTER J. GREGG, FLORIDA
 ARTHUR RAYBURN, JR., SOUTH CAROLINA
 BERRY GALLAHAN, ALABAMA
 WAYNE T. BILCHES, MARYLAND
 JOHN T. BOGUTTLE, CALIFORNIA
 RANBY "BUD" CUNNINGHAM, CALIFORNIA

U.S. House of Representatives Committee on

Merchant Marine and Fisheries

Room 1334, Longworth House Office Building
 Washington, DC 20515-6230

CHIEF COUNSEL
 EDWARD E. WELCH

CHIEF CLERK
 BARBARA L. CAYAS

MINORITY STAFF
 DIRECTOR/CHIEF COUNSEL
 GEORGE D. FENCI

March 26, 1991

Mr. Dick Thornburgh
 Attorney General of the United States
 Department of Justice
 Constitution Avenue and Tenth Street, N.W.
 Washington, D.C. 20520

Dear Mr. Thornburgh:

We are writing to re-state our interest in obtaining information concerning the recently negotiated proposed settlement of certain civil and criminal liabilities resulting from the EXXON VALDEZ oil spill.

We understand that your Department is currently preparing a summary of information describing and quantifying the scope and severity of injuries to natural resources caused by the spill and that this summary will soon be available to the Committee and the public.

We also request that documents, studies and memoranda be made available to us for the purpose of allowing us to make an informed judgment about the reasonableness of the settlement that has been reached. These materials need not include raw scientific data, but they should include all documents summarizing or estimating the dollar value of injuries done to natural resources by the spill and the costs of restoring those damages. If requested, we will agree to maintain the confidentiality of these materials. We ask that the materials be provided no later than the close of business on Thursday, March 28.

DATE: April 10, 1991

ATTN: The Honorable Max F. Gruenberg, Jr.
Chair, House Special Committee on
the Exxon Valdez Oil Spill Claims Settlement

FAX NO: (907) 465-2444

FROM: Alan Charles Raul
General Counsel
U.S. Department of Agriculture

FAX NO: 447-8666
TELEPHONE NO: 447-3351

There are four (4) pages to this letter, including this cover sheet. Please call the above telephone number if any of these pages is not received or is illegible.

The original of this fax will be sent by U.S. mail.

Thank you.



United States
Department of
Agriculture

Office of the
General
Counsel

Washington,
D.C.
20250-1400

Representative Max F. Gruenberg, Jr.
Chair, House Special Committee on the
Exxon Valdez Oil Spill Claims Settlement
P.O. Box V
State Capitol, Room 216
Juneau, Alaska 99811

April 10, 1991

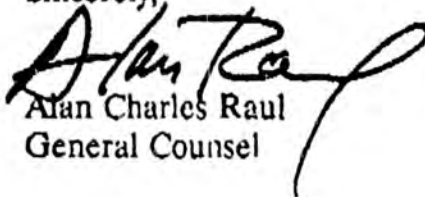
Dear Representative Gruenberg:

Thank you for your invitation to testify before the Special Committee of the Alaska House of Representatives on the Exxon Valdez Oil Spill Claims Settlement. Unfortunately, I must decline your request at this time. Because many of your questions concern matters of legal interpretation and because this matter is currently in litigation, the United States Department of Justice will prepare a more detailed response to your inquiry on behalf of the federal administration and this department.

In lieu of testimony, I am enclosing a copy of my statement before Congressman Gerry Studds' Subcommittee on Fisheries and Wildlife Conservation and the Environment on March 20, 1991.

Again, thank you for your invitation to us to participate in your hearings on this important subject.

Sincerely,


Alan Charles Raul
General Counsel

Attachment

**Statement of Alan Charles Raul
General Counsel
U.S. Department of Agriculture**

**Subcommittees on Fisheries and Wildlife Conservation
and the Environment; Coast Guard and Navigation; and
Oceanography, Great Lakes and the Outer Continental Shelf
of the Committee on Merchant Marine and Fisheries
U.S. House of Representatives**

March 20, 1991

Chairman Studds, Chairman Tauzin, Chairman Hertel, and committee members, thank you for this opportunity to appear before your subcommittees to discuss the recent settlement agreement with the Exxon Corporation regarding the March 24, 1989 tanker accident. My name is Alan Charles Raul, and I am the General Counsel of the Department of Agriculture. The Secretary of Agriculture is a Trustee for natural resources injured in the Exxon Valdez oil spill by virtue of the U.S. Forest Service's management of the Chugach National Forest.

This settlement is an important milestone in the history of the Exxon Valdez disaster. It has been nearly two years since the fateful grounding of the tanker resulted in nearly 11 million gallons of oil spilling into Prince William Sound. Much of the oil washed up on the shoreline of the Chugach National Forest. Approximately 350 miles of the Forest's shoreline were fouled with oil that continues to disrupt the environment despite considerable response mitigation. The Department of Agriculture, through the Forest Service, has spent almost two years preparing to prosecute our claims for damages to natural resources against Exxon. The State of Alaska and federal agencies including the Department of the Interior, NOAA and USDA have spent well over \$100 million to assess the spill's damages with an

eye towards restoration as well as litigation. State and federal agencies plan to spend another \$35 million in this year alone. This unprecedented scientific effort has resulted in over 70 integrated scientific studies, each concentrating on a different aspect of injury to the Sound. All of these studies have produced preliminary results, and it is these results that have formed the basis for the trustees' decision making.

Most of the lands and natural resources in Prince William Sound are managed by either the federal government or the state of Alaska. Many of those lands are the trustee responsibility of the U.S. Forest Service. In fact, more than 80% of the land in Prince William Sound is managed by the Forest Service. The Forest Service is actively engaged in managing the water, soil, air, mineral and timber resources of the entire area. In addition to its stewardship of natural resources, the Forest Service is committed to protecting the rich cultural heritage of these lands for Alaska natives and preserving their benefits for local residents and tourists.

I would stress, again, that the settlement does not mark the end of our commitment to restoring Prince William Sound's environment. Most of our work is still ahead. It will take the dedication and years of hard work of scientists and Forest Service managers working together to develop restoration options that are ecologically viable and beneficial to the Sound. By ending the significant uncertainty and delays of litigation, this settlement allows us to redouble our efforts towards restoring the environment. It ensures our ability to maintain a long term commitment to the ecology of the Sound. The Forest Service takes its stewardship seriously, and, as mandated by President Bush nearly two years ago, we intend to spare no efforts to restore the Sound fully to its pre-spill condition.

Alaska State Legislature

House of Representatives



P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 463-3718

Official Business

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 10, 1991

Honorable H. Russel Holland
United States District Judge
District of Alaska
222 West 7th Avenue #4
Anchorage, Alaska 99513

Dear Judge Holland:

The House Special Committee on the Exxon Valdez Oil Spill Settlement has received and reviewed a copy of Congressman George Miller's letter to you dated April 8.

The matters raised in the letter present significant new issues regarding the propriety of the Plea Agreement pending in your court. The allegation by Congressman Miller that Alyeska knowingly disregarded the requirements of its own contingency plan indicates a level of culpability on the part of both Exxon and Alyeska that could go well beyond the criminally negligent conduct previously alleged against Exxon.

The Committee believes that the Plea Agreement must be considered, not solely in light of its impact on Exxon and Alyeska, but also with respect to its impact on the State of Alaska. Our report to the House, scheduled to be issued prior to April 24, will reflect that aspect of the case.

We respectfully renew our request, embodied in HCR 19, that you delay final action on the Plea Agreement until after May 3, when the legislature will have considered this issue and the remainder of this committee's report.

Sincerely,

Rep. Max F. Gruenberg, Jr.
Chairman

cc: John F. Clough III, Counsel for Exxon Corporation
Charles A. DeMonaco, United States Department of Justice

STATE OF ALASKA
House of Representatives
District 27

Representative Cliff Davidson
Chairman
House Resources Committee



Box V, Juneau, AK 99811
(907) 465-2487
Box 746, Kodiak, AK 99615
(907) 486-8250

TO: Representative Max Gruenberg, Chair
House Special Committee on the Exxon Valdez Settlement

FROM: Representative Cliff Davidson

DATE: 23 April 1991

SUBJECT: Disapproval of Settlement Unless Modified

Below are some conditions that I believe the Committee should support as we take up consideration of disapproval without these conditions in the settlement:

1) All factual information accumulated during the course of the Exxon Valdez oil spill scientific studies, whether done by Exxon or the governments of Alaska or the United States must be made available immediately upon the final approval of this settlement.

This may be the most important element in the restoration of the faith of our citizens in government. That should be one of the primary public policy goals in resolving this tragedy. It is clear that the current settlement does just the opposite and this provision is essential to the restoration of a measure of justice and openness in this process.

2) The payment of the full amount of the settlement should occur over 3 years, not 10 years.

If Exxon wants to resolve this situation as soon as possible, this will do it quicker. As a sweetener, I propose that we eliminate the reopener clause. Its effectiveness was limited and it only served to artificially inflate the apparent value of the settlement.

3) Delete those provisions which provide that Exxon can set off cleanup expenses against the settlement.

Settlement for the damages caused by Exxon's mistakes should not relieve Exxon of the responsibility of continuing the cleanup to the satisfaction of both the state and federal governments.

4) Prior to final agreement, there should be a better definition of how the Trustees will be selected, under what rules of procedure

they will operate, how the public process will operate and what kinds of projects will qualify for funding.

These are very important provisions that should not matter to Exxon, thus they will not affect the overall settlement. I am unclear as to how they should be worked into our disapproval of the settlement, but feel strongly that they should be.

5) Alyeska should not be mentioned in the settlement.

Alyeska was not a party to the negotiations and they should not be absolved from culpability.

*Andy
copies*

Alaska State Legislature

House of Representatives PH (202) 382-5700
FAX (202) 382-5711



Official Business

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 465-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 4, 1991

Ms. LaJuana Wilcher
Assistant Administrator for Water
Environmental Protection Agency
Waterside East Building
401 M Street SW
Washington, D.C. 20460

Dear Ms. Wilcher:

The Alaska House of Representatives has established the Special Committee on the Exxon Valdez Oil Spill Claims Settlement to review the agreements entered into by representatives of the State, the United States and Exxon Corporation.

The Special Committee has heard testimony from the Alaska Attorney General and has scheduled appearances by representatives of the state agencies affected by the settlement agreement. We would very much like to hear testimony from a representative of the EPA as well.

I have tentatively scheduled representatives of the federal agencies involved in the settlement to appear before the Special Committee on Thursday, April 11, from 8-10 a.m., and on Friday, April 12, from 12-2 p.m.

I have asked the Special Committee staff to prepare a list of questions to focus the representatives' discussion. Committee members may have additional questions at the time of the hearing.

In order to coordinate appearances, please contact Andy Hemenway at (907) 465-4945; his Fax number is (907) 465-2444. Charles DeMonaco ((202) 447-3351) will be acting as liason for the Department of Justice.

Cordially,

Rep. Max F. Gruenberg, Jr., Chair

Alaska State Legislature

House of Representatives

Ph (202) 208-4813
Fax (202) 208-5584



Official Business

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 465-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 4, 1991

Marty Suuberg, Esq.
Deputy Solicitor, Department of Interior
1849 C Street
Washington, D.C. 20240

Dear Mr. Suuberg:

The Alaska House of Representatives has established the Special Committee on the Exxon Valdez Oil Spill Claims Settlement to review the agreements entered into by representatives of the State, the United States and Exxon Corporation.

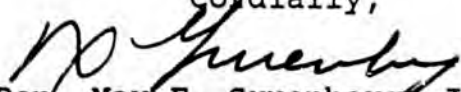
The Special Committee has heard testimony from the Alaska Attorney General and has scheduled appearances by representatives of the state agencies affected by the settlement agreement. We would very much like to hear testimony from a representative of the Department of Interior as well.

I have tentatively scheduled representatives of agencies involved in the settlement to appear before the Special Committee on Thursday, April 11, from 8-11 a.m. on Friday, April 12, from 12-2 p.m.

I have asked the Special Committee staff to prepare a list of questions to focus the representatives' discussion. Committee members may have additional questions at the time of the hearing.

In order to coordinate appearances, please contact Andy Hemenway at (907) 465-4945; his Fax number is (907) 465-2444. Charles DeMonaco ((202) 447-3351) will be acting as liason for the Department of Justice.

Cordially,


Rep. Max F. Gruenberg, Jr., Chair

Alaska State Legislature

House of Representatives

PH (202) 447-3351
FAX (202) 447-8666



Official Business

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 465-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 4, 1991

Alan C. Raul, Esq.
General Counsel, Department of Agriculture
12th Street & Jefferson Drive SW
Room 243W
Washington, D.C. 20250

Dear Mr. Raul:

The Alaska House of Representatives has established the Special Committee on the Exxon Valdez Oil Spill Claims Settlement to review the agreements entered into by representatives of the State, the United States and Exxon Corporation.

The Special Committee has heard testimony from the Alaska Attorney General and has scheduled appearances by representatives of the state agencies affected by the settlement agreement. We would very much like to hear testimony from a representative of the Department of Agriculture as well.

I have tentatively scheduled representatives of the federal agencies involved in the settlement to appear before the Special Committee on Thursday, April 11, from 8-10 a.m., and on Friday, April 12, from 12-2 p.m.

I have asked the Special Committee staff to prepare a list of questions to focus the representatives' discussion. Committee members may have additional questions at the time of the hearing.

In order to coordinate appearances, please contact Andy Hemenway at (907) 465-4945; his Fax number is (907) 465-2444. Charles DeMonaco ((202) 447-3351) will be acting as liason for the Department of Justice.

Cordially,

A handwritten signature in dark ink, appearing to read "Max Gruenberg".
Rep. Max F. Gruenberg, Jr., Chair

Alaska State Legislature

House of Representatives



Official Business

(202)
PH 377-4080
FAX (202) 377-8893

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 465-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 4, 1991

Thomas Campbell, Esq.
General Counsel
National Oceanic and Atmospheric Administration
Herbert Hoover Building
14th Street and Constitution Avenue NW
Washington, D.C. 20230

Dear Mr. Campbell:

The Alaska House of Representatives has established the Special Committee on the Exxon Valdez Oil Spill Claims Settlement to review the agreements entered into by representatives of the State, the United States and Exxon Corporation.

The Special Committee has heard testimony from the Alaska Attorney General and has scheduled appearances by representatives of the state agencies affected by the settlement agreement. We would very much like to hear testimony from a representative of NOAA as well.

I have tentatively scheduled representatives of the federal agencies involved in the settlement to appear before the Special Committee on Thursday, April 11, from 8-10 a.m., and on Friday, April 12, from 12-2 p.m.

I have asked the Special Committee staff to prepare a list of questions to focus the representatives' discussion. Committee members may have additional questions at the time of the hearing.

In order to coordinate appearances, please contact Andy Hemenway at (907) 465-4945; his Fax number is (907) 465-2444. Charles DeMonaco ((202) 447-3351) will be acting as liason for the Department of Justice.

Cordially,

A handwritten signature in dark ink, appearing to read "Max Gruenberg".
Rep. Max F. Gruenberg, Jr., Chair

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

WALTER J. HICKEL, GOVERNOR

P.O. BOX K—STATE CAPITOL
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-3600
FAX: (907) 463-5295

April 25, 1991

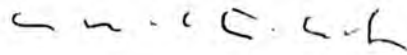
Hon. Max Gruenberg, Chairman
House Special Committee on the
Exxon Valdez Oil Spill Claims Settlement
House of Representatives
P. O. Box V
Juneau, AK 99811

Dear Mr. Chairman:

This will confirm my remarks to you earlier this afternoon that Governor Hickel's position continues to be that the State will terminate the Agreement among the United States, the State of Alaska and Exxon Corporation, et al. if the Alaska Legislature does not approve the Agreement as written.

It will also confirm my view that action by the Legislature to approve the Agreement is inappropriate until Exxon decides whether to terminate it because of Judge Holland's rejection yesterday of the criminal plea agreement.

Very truly yours,



Charles E. Cole
Attorney General

CEC:pml

cc: Hon. Richard I. Eliason, President, Alaska State Senate
Assistant Attorney General Richard Stewart, U.S.
Department of Justice
J. G. Clarke, Senior Vice President, Exxon Corporation



Official Business

Alaska State Legislature

P.O. Box V
State Capitol
Juneau, Alaska 99811

April 23, 1991

The Honorable H. Russell Holland
United States District Court
222 West 7th Avenue, #54
Anchorage, Alaska 99513-7545

RE: United States vs. Exxon Corporation
Case # A90-015 Criminal

Dear Judge Holland:

We, the undersigned members of the 17th Alaska State Legislature, do not support the April 22, 1991 letter sent to you by the Chairman of the House Special Committee on the Exxon Valdez Spill Claims Settlement.

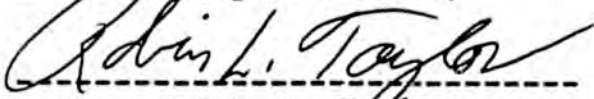
Additionally, we note that considerable disagreement existed among the members of the Committee regarding the appropriateness of the wording of the letter and its implied interference with the Court. Several members of the nine person committee were either not present or left the meeting in protest over the letter.

This Special Committee was to bring its recommendations before the Legislature for consideration by all members. It chose not to do so.

We are concerned that the tone of the Committee letter may be an attempt to use the extension of criminal proceedings as leverage to enhance a position regarding the civil litigation still pending. To that extent, we believe their communication is inappropriate.

We have no statement to make at this time regarding the Plea Agreement.

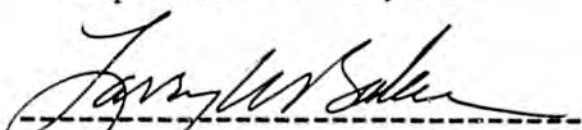
Respectfully submitted,



Rep. Robin L. Taylor



Rep. Ramona L. Barnes



Rep. Larry L. Baker



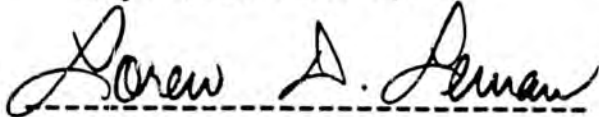
Rep. Bert M. Sharp



Rep. Gail Phillips



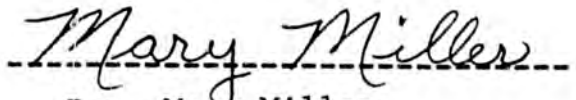
Rep. James E. Zawacki



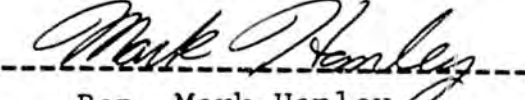
Rep. Loren D. Leman



Rep. Terry Martin



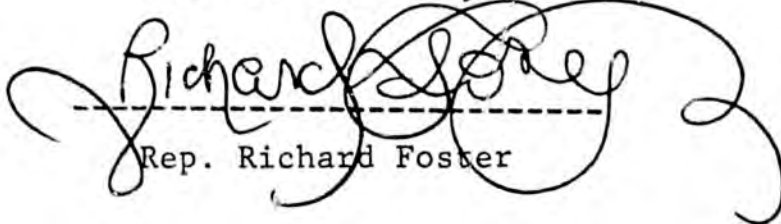
Rep. Mary Miller



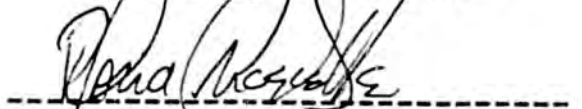
Rep. Mark Hanley



Rep. Randy E. Phillips



Rep. Richard Foster



Rep. David Choquette

Alaska State Legislature

House of Representatives



Official Business

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 463-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 10, 1991

Honorable H. Russel Holland
United States District Judge
District of Alaska
222 West 7th Avenue #4
Anchorage, Alaska 99513

Dear Judge Holland:

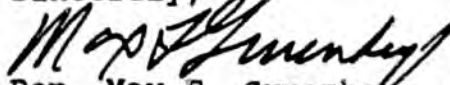
The House Special Committee on the Exxon Valdez Oil Spill Settlement has received and reviewed a copy of Congressman George Miller's letter to you dated April 8.

The matters raised in the letter present significant new issues regarding the propriety of the Plea Agreement pending in your court. The allegation by Congressman Miller that Alyeska knowingly disregarded the requirements of its own contingency plan indicates a level of culpability on the part of both Exxon and Alyeska that could go well beyond the criminally negligent conduct previously alleged against Exxon.

The Committee believes that the Plea Agreement must be considered, not solely in light of its impact on Exxon and Alyeska, but also with respect to its impact on the State of Alaska. Our report to the House, scheduled to be issued prior to April 24, will reflect that aspect of the case.

We respectfully renew our request, embodied in HCR 19, that you delay final action on the Plea Agreement until after May 3, when the legislature will have considered this issue and the remainder of this committee's report.

Sincerely,


Rep. Max F. Gruenberg, Jr.
Chairman

cc: John F. Clough III, Counsel for Exxon Corporation
Charles A. DeMonaco, United States Department of Justice

SCOMM

76:11

7-LS1314A
Cook
5/1/91

HOUSE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON THE EXXON VALDEZ OIL SPILL CLAIMS SETTLEMENT

Introduced:
Referred:

A RESOLUTION

1 Relating to the proposed Exxon Valdez oil spill claims settlement.

2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 WHEREAS the Attorney General has negotiated a proposed settlement of most of the state's
4 claims arising from the Exxon Valdez oil spill; and

5 WHEREAS, under the terms of the proposed settlement, the legislature has been granted an
6 opportunity to review the settlement and to express its approval or disapproval of it, but the period
7 within which the legislature must act on the matter will expire May 3, 1991; and

8 WHEREAS the House of Representatives and the Senate have established special committees
9 to consider the proposal and the committees have worked diligently on the issue; and

10 WHEREAS the proposed settlement of state claims arising from the Exxon Valdez oil spill has
11 been further complicated by the court's recent rejection of the plea agreement entered into by the parties
12 in United States of America v. Exxon Corporation and Exxon Shipping Company, No. A90-015 Cr.; and

13 WHEREAS, under the terms of the proposed agreement, any of the parties, including Exxon,
14 can terminate the proposed settlement on or before May 4, 1991, due to the court's rejection of the plea
15 agreement; and

16 WHEREAS, by letter dated April 25, 1991, Charles Cole, Attorney General, stated that he
17 believes action by the legislature to approve the proposal is not appropriate until Exxon decides whether

1 to terminate it; and

2 **WHEREAS** the Senate Special Committee on the Exxon Valdez Oil Spill Claims Settlement has
3 issued a report raising a number of concerns regarding the proposed settlement; and

4 **WHEREAS** the House Special Committee on the Exxon Valdez Oil Spill Claims Settlement has
5 suggested that certain provisions of the proposed settlement be altered; and

6 **WHEREAS** an extension of the time for withdrawal from the proposed settlement would enable
7 the parties to deliberate without undue haste concerning how best to respond to the actions of the federal
8 district court and the Senate and House special committees;

9 **BE IT RESOLVED** that the Alaska State Legislature requests the parties to the proposed
10 Agreement and Consent Decree signed March 12, 1991, relating to the settlement of State v. Exxon
11 Corporation, et al., United States District Court, District of Alaska, No. A91-083 Civ., to extend the date
12 by which the state and federal governments may withdraw from the agreement on the basis of the
13 legislature's disapproval until at least May 13, 1991; and be it

14 **FURTHER RESOLVED** that, unless an extension is granted to the legislature to consider the
15 proposed settlement, the Alaska State Legislature disapproves the proposed settlement.

16 **COPIES** of this resolution shall be sent to the Honorable H. Russel Holland, Chief Judge, United
17 States District Court for the District of Alaska; Jack G. Clarke, Senior Vice-President, Exxon
18 Corporation; Richard Stewart, Assistant Attorney General, Environmental and Natural Resources
19 Division, United States Department of Justice; and to the Honorable Walter J. Hickel, Governor of the
20 State of Alaska.

7-LS1323A
Cook
5/1/91

HOUSE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON THE EXXON VALDEZ OIL SPILL CLAIMS SETTLEMENT

Introduced:

Referred:

A RESOLUTION

1 Approving the proposed Exxon Valdez oil spill claims settlement.

2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 WHEREAS the Attorney General has negotiated a proposed settlement of most of the state's
4 claims arising from the Exxon Valdez oil spill; and

5 WHEREAS under the terms of the proposed settlement the legislature has been granted an
6 opportunity to review the settlement and to express its approval or disapproval of it; and

7 WHEREAS the Attorney General has stated in a public meeting that if the legislature fails to
8 approve the proposed settlement the state will take action to terminate the proposal;

9 BE IT RESOLVED by the Alaska State Legislature that it approves the Agreement and Consent
10 Decree signed March 12, 1991, relating to the settlement of State v. Exxon Corporation, et al., United
11 States District Court, District of Alaska, Civil Action No. A91-083; and be it

12 FURTHER RESOLVED that the Governor is respectfully requested to inform the United States
13 Department of Justice that the legislature has approved the proposed settlement.

Whereas the Attorney General has negotiated a proposed settlement of most of the state's claims arising from the Exxon Valdez oil spill; and

Whereas under the terms of the proposed settlement the legislature has been granted an opportunity to review the settlement and to express its approval or disapproval of it; and

Whereas the House Special Committee on the Exxon Valdez Oil Spill Claims Settlement has carefully reviewed the proposed settlement, and has concluded that it should be disapproved unless certain changes are made; now therefore,

Be it resolved that the House of Representatives disapproves of the proposed settlement as written; and be it further resolved that the parties are requested to amend the proposed settlement in the following respects:

- (1) To provide for the payment of the all sums due under the settlement within one year of the date the settlement is approved;
- (2) To provide that a substantial portion of any criminal fine be remitted to the Trust Fund established in the civil settlement, and that at least 50% of any portion which is not so remitted, be remitted to the State;
- (3) To provide that there shall be no deduction from State taxes of any amounts payable under the settlement;
- (4) To provide for membership of two members of the legislature as ex officio non-voting members of the trustee board governing the operation of the Trust Fund established in the civil settlement;
- (5) To provide that the Alaska legislature shall have the power to appropriate money into and out of the Trust Fund to the extent required by the Alaska Constitution;
- (6) To provide that if the Trust Fund is found to be an unconstitutional dedicated fund, the civil settlement shall in all other respects be maintained;
- (7) To provide that the funding decisions of the Trust Fund shall be made with input from a broad-based Citizens Advisory Board, and that the trustees shall comply with Alaska law regarding open meetings, public records, and promulgation of rules and regulations;
- (8) To provide that scientific and economic data obtained by the State shall be released unless the State demonstrates that it is privileged, and that release of the information would

materially and substantially harm the State's case in pending litigation;

(9) To clarify the status of third party claims and claims for damages to archaeological resources; and

(10) To require the parties to enter good faith negotiations to resolve the claims of third parties.

7-LS1330A

Cook

5/1/91

HOUSE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON THE EXXON VALDEZ OIL SPILL CLAIMS SETTLEMENT

Introduced:

Referred:

A RESOLUTION

1 Relating to the Exxon Valdez oil spill settlement.

2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 WHEREAS the Attorney General has negotiated a proposed settlement of most of the state's
4 claims arising from the Exxon Valdez oil spill; and

5 WHEREAS under the terms of the proposed settlement the legislature has been granted an
6 opportunity to review the settlement and to express its approval or disapproval of it; and

7 WHEREAS the House Special Committee on the Exxon Valdez Oil Spill Claims Settlement has
8 carefully reviewed the proposed settlement, and has concluded that it should be disapproved unless
9 certain changes are made;

10 BE IT RESOLVED by the Alaska State Legislature that the proposed settlement is disapproved
11 as written; and be it

12 FURTHER RESOLVED that the parties to the proposed settlement are requested to amend the
13 proposed settlement in the following respects:

14 (1) to provide for the payment of at least \$700,000,000 within one year of the date the
15 settlement is approved;

16 (2) to provide for a plea agreement establishing a criminal fine of at least \$500,000,000,
17 with at least \$100,000,000 of the fine to be remitted on payment of that amount to the State of Alaska

1 as restitution for economic losses incurred by the state as a result of the oil spill, and with at least
2 \$300,000,000 of the fine to be remitted on payment of that amount into the trust fund established in the
3 civil settlement, as restitution for damages to natural resources;

4 (3) to provide that there shall be no deduction from state taxes of any amounts payable
5 under the settlement;

6 (4) to provide for membership of two members of the legislature as ex officio nonvoting
7 members of the trustee board governing the operation of the trust fund established in the civil settlement;

8 (5) to provide that the state's share of the funds recovered in the civil settlement shall
9 be subject to appropriation into the trust fund, and expenditures from the trust fund of the state's share
10 shall be subject to appropriation by the Alaska State Legislature;

11 (6) to provide that if the trust fund is found to be an unconstitutional dedicated fund, the
12 civil settlement shall in all other respects be maintained;

13 (7) to provide that the funding decisions of the trustees of the trust fund shall be made
14 with input from a broad-based citizens' advisory board, and that the trustees shall comply with Alaska
15 law regarding open meetings, public records, and adoption of regulations;

16 (8) to provide that scientific and economic data obtained by the state shall be released
17 unless the state demonstrates that the data is privileged, and that release of the information would
18 materially and substantially harm the state's case in pending litigation;

19 (9) to clarify the status of third-party claims and claims for damages to archaeological
20 resources;

21 (10) to require the parties to enter good faith negotiations to resolve the claims of third
22 parties; and

23 (11) to delete the "reopener" clause.

HOUSE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON THE EXXON VALDEZ OIL SPILL CLAIMS SETTLEMENT

Introduced:

Referred:

A RESOLUTION

1 Disapproving the proposed Exxon Valdez oil spill claims settlement.

2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 WHEREAS the Attorney General has negotiated a proposed settlement of most of the state's
4 claims arising from the Exxon Valdez oil spill; and

5 WHEREAS under the terms of the proposed settlement the legislature has been granted an
6 opportunity to review the settlement and to express its approval or disapproval of it; and

7 WHEREAS the Attorney General has stated in a public meeting that if the legislature fails to
8 approve the proposed settlement the state will take action to terminate the proposal;

9 BE IT RESOLVED by the Alaska State Legislature that it disapproves the Agreement and
10 Consent Decree signed March 12, 1991, relating to the settlement of State v. Exxon Corporation, et al.,
11 United States District Court, District of Alaska, Civil Action No. A91-083; and be it

12 FURTHER RESOLVED that the Governor is respectfully requested to inform the United States
13 Department of Justice that the legislature has disapproved the proposed settlement.

A M E N D M E N T

TO: HCR WO 7-LS1314/A Cook 4/29/91

Page 2, lines 2-4, delete existing language and insert:

Whereas the Senate special committee has issued a report raising a number of concerns regarding the proposed settlement; and

Whereas the House special committee has suggested that certain provisions of the proposed settlement be altered; and

Whereas an extension of the time for withdrawal from the proposed settlement would enable the parties to deliberate without undue haste concerning how best to respond to the actions of the federal district court and the Senate and House special committees; now, therefore:

Page 2, line 8: chage "must" to "may"

Page 2, lne 9, after "until", insert "at least"

Page 2, lines 12-13, delete existing language and insert language directing that copies of the resolution be sent to the Governor, Honorable H. Russel Holland (United States District Court, 222 West 7th Avenue #54), Richard Stewart (Assistant Attorney General, Environment and Natural Resources Division, Department of Justice) and Jack G. Clarke (Sr. Vice President, Exxon Corporation).

7-LS1314A-
Cook
4/29/91

HOUSE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON THE EXXON VALDEZ OIL SPILL CLAIMS SETTLEMENT

Introduced:
Referred:

A RESOLUTION

1 Relating to the proposed Exxon Valdez oil spill claims settlement.

2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 WHEREAS the Attorney General has negotiated a proposed settlement of most of the state's
4 claims arising from the Exxon Valdez oil spill; and

5 WHEREAS, under the terms of the proposed settlement, the legislature has been granted an
6 opportunity to review the settlement and to express its approval or disapproval of it, but the period
7 within which the legislature must act on the matter will expire May 3, 1991; and

8 WHEREAS the House of Representatives and the Senate have established special committees
9 to consider the proposal and the committees have worked diligently on the issue; and

10 WHEREAS the proposed settlement of state claims arising from the Exxon Valdez oil spill has
11 been further complicated by the court's recent rejection of the plea agreement entered into by the parties
12 in United States of America v. Exxon Corporation and Exxon Shipping Company, No. A90-015 Cr.; and

13 WHEREAS, under the terms of the proposed agreement, any of the parties, including Exxon,
14 can terminate the proposed settlement on or before May 4, 1991, due to the court's rejection of the plea
15 agreement; and

16 WHEREAS, by letter dated April 25, 1991, Charles Cole, Attorney General, stated that he
17 believes action by the legislature to approve the proposal is not appropriate until Exxon decides whether

1 to terminate it; and

2 **WHEREAS** the legislature needs more time within which to consider the implications of the
3 rejection of the plea agreement and the possible effect of the proposed settlement on the state in light
4 of this rejection.

5 **BE IT RESOLVED** that the Alaska State Legislature requests the parties to the proposed
6 Agreement and Consent Decree signed March 12, 1991, relating to the settlement of State v. Exxon
7 Corporation, et al., United States District Court, District of Alaska, No. A91-083 Civ., to extend the date
8 by which the state and federal governments must withdraw from the agreement on the basis of the
9 legislature's disapproval until May 13, 1991; and be it

10 **FURTHER RESOLVED** that, unless an extension is granted to the legislature to consider the
11 proposed settlement, the Alaska State Legislature disapproves the proposed settlement; and be it

12 **FURTHER RESOLVED** that the Governor is respectfully requested to make copies of this
13 resolution available to the parties to the proposed settlement.

GRUENBERG PROPOSAL

I. Payment Terms

A. Amount

<u>Civil</u>	<u>Criminal</u>	<u>Total</u>
\$700 million	\$500 million	\$1.2 billion

B. Schedule

1. W/in 90 days: \$100 m. civil, \$500 m. criminal
2. W/in 1 year thereafter: \$600 million civil

C. Other changes and details

1. The civil settlement will be paid as under the present Consent Decree, that is:
\$72 million to State as reimbursement
\$66 million to feds as reimbursement
Cleanup, etc. as in the Consent Decree
2. The criminal payments will be:
\$50 million fine to feds
\$50 million restitution to State
\$400 million restitution to Trust Fund
3. Delete reopener clause
4. Exxon agrees not to take a State tax deduction

II. Payment Mechanism

A. Dedicated Fund issue

Severability clause: Exxon lk; must pay even if the Trust Fund is later determined to be an unconstitutional dedicated fund.

B. Appropriations issues

The process must be constitutional:

1. Appropriations into the Trust Fund must be approved by the legislature.
2. Appropriations from the Trust Fund must also be approved by the legislature.

III. Trust Fund Operations/Public Input

- A. Funding decisions to be made w/ public input per previous federal settlements (Arthur Kill & S.F. Bay): trustee representatives plus public groups in a joint board make funding decisions for legislative approval.
- B. Subject to Open Meetings Act & Public Records Act.
- C. Subject to GAO & Leg. Budget & Audit oversight.
- D. Establish procedures per rule making provisions of Alaska law.

IV. Release of Scientific Data to the Public

- A. Normal Civil Rules of privilege apply.
- B. If State or feds wish to prevent release, they must obtain in camera protective order, by showing (1) entitled to privilege, and (2) disclosure would materially and substantially harm their case.

V. Miscellaneous

- A. Clarify status of archaeological claims.
- B. Protect third party claims:
 - 1. Future fish runs
 - 2. Native Villages (see their proposals to Judge Sporkin)
- B.

7-LS1323A
Cook
5/1/91

HOUSE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON THE EXXON VALDEZ OIL SPILL CLAIMS SETTLEMENT

Introduced:

Referred:

A RESOLUTION

1 Approving the proposed Exxon Valdez oil spill claims settlement.

2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 WHEREAS the Attorney General has negotiated a proposed settlement of most of the state's
4 claims arising from the Exxon Valdez oil spill; and

5 WHEREAS under the terms of the proposed settlement the legislature has been granted an
6 opportunity to review the settlement and to express its approval or disapproval of it; and

7 WHEREAS the Attorney General has stated in a public meeting that if the legislature fails to
8 approve the proposed settlement the state will take action to terminate the proposal;

9 BE IT RESOLVED by the Alaska State Legislature that it approves the Agreement and Consent
10 Decree signed March 12, 1991, relating to the settlement of State v. Exxon Corporation, et al., United
11 States District Court, District of Alaska, Civil Action No. A91-083; and be it

12 FURTHER RESOLVED that the Governor is respectfully requested to inform the United States
13 Department of Justice that the legislature has approved the proposed settlement.

HOUSE RESOLUTION NO.**IN THE LEGISLATURE OF THE STATE OF ALASKA****SEVENTEENTH LEGISLATURE - FIRST SESSION****BY THE HOUSE SPECIAL COMMITTEE ON THE EXXON VALDEZ OIL SPILL CLAIMS SETTLEMENT****Introduced:****Referred:****A RESOLUTION**

- 1 Relating to the rejection of the Proposed Plea Agreement with Exxon Corporation and**
2 Exxon Shipping Company.

3 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:

4 WHEREAS, as the elected representatives of the people of Alaska, the House of Representatives
5 has a unique responsibility to assess and articulate the public interest in all matters affecting the welfare
6 of the people and natural resources of this state; and

7 WHEREAS the State of Alaska contains more than 50 percent of the coastline of the United
8 States; and

9 WHEREAS the State of Alaska operates a marine highway system, and the people of the state
10 are highly dependent upon the safe and reliable conduct of maritime operations in international and
11 intracoastal traffic; and

12 WHEREAS the National Transportation Safety Board's investigation into the causes of the
13 Exxon Valdez oil spill established that Exxon Shipping Company "did not adequately monitor the master
14 for alcohol abuse," "did not have a sufficient program to identify, remove from service, if necessary, and
15 provide treatment for employees who had chemical dependency problems," "had manipulated shipboard
16 reporting of crew overtime information that was to be submitted to the Coast Guard," and implemented

1 policies that "do not adequately consider the increase in workload caused by reduced manning," and that
2 "could be conducive to fatigue"; and that a "probable cause of the grounding of the Exxon Valdez was
3 ... the failure of Exxon Shipping Company to provide a fit master and a rested and sufficient crew for
4 the Exxon Valdez"; and

5 **WHEREAS** a successful prosecution of Exxon Shipping Company for violation of the Ports and
6 Waterways Safety Act under the facts of this case would be a significant deterrent to the repetition of
7 the unsafe practices outlawed by that Act; and

8 **WHEREAS** the federal government has the authority and responsibility to ensure that safe
9 practices are followed by vessels operating in Alaska waters; and

10 **WHEREAS** Count IV of the indictment in United States v. Exxon Corporation and Exxon
11 Shipping Company, No. A90-015 Cr., before the United States District Court for the District of Alaska
12 charges Exxon Shipping Company with willfully and knowingly failing to ensure that the wheelhouse
13 of the Exxon Valdez was constantly manned by persons competent to direct and control the movement
14 of the vessel, in violation of 33 U.S.C. 1232(b)(1) and 33 CFR 164.11(b); and

15 **WHEREAS** Count IV charges a felony, punishable by up to five years' imprisonment and a
16 \$50,000 fine, which confirms the serious threat to human life, property, and the environment posed by
17 a failure to operate a vessel safely; and

18 **WHEREAS** the United States' Memorandum in Aid of Sentencing stresses the supervisory
19 misconduct of Exxon Shipping Company and the negligence of its employees to establish a basis for the
20 Plea Agreement under 18 U.S.C. sec. 3553(a)(1); and

21 **WHEREAS** the Proposed Plea Agreement would result in the dismissal of Count IV; and

22 **WHEREAS** the dismissal of Count IV against Exxon Shipping Company will not deter major
23 shippers from engaging in unsafe vessel manning practices; and

24 **WHEREAS** information has recently been made public that indicates a level of culpability on
25 the part of the Exxon Corporation and the Alyeska Pipeline Service Company (Alyeska) that could go
26 well beyond criminal negligence; and

27 **WHEREAS** Alyeska has not been indicted and is not a party to the criminal case, and there is,
28 according to comments previously submitted to the court for its consideration, no precedent for the
29 release of a third party from criminal liability as a part of a plea agreement;

30 **BE IT RESOLVED** that the Alaska House of Representatives respectfully requests the Honorable
31 Russel Holland to reject the Proposed Plea Agreement in this case because it is not in the public interest
32 unless:

- 1 [(1)] Count IV of the indictment is retained as to Exxon Shipping Company; and
2 (2) the provisions exculpating Alyeska Pipeline Service Company are omitted.
3]

4 **COPIES** of this resolution shall be sent to Joseph G. Block, Chief, Environmental Crimes
5 Section, Environment and Natural Resources Division, United States Department of Justice; Charles A.
6 De Monaco, Assistant Chief, Environmental Crimes Section, Environment and Natural Resources
7 Division, United States Department of Justice; Eric W. Nagle, Trial Attorney, United States Department
8 of Justice; Mark R. Davis, Special Assistant United States Attorney; Mark B. Harmon, Trial Attorney,
9 United States Department of Justice; James F. Neal, Counsel for Exxon Shipping; E. Edward Bruce,
10 Counsel for Exxon Shipping; Robert C. Bundy, Counsel for Exxon Shipping; Edward J. Lynch, Counsel
11 for Exxon Corporation; John F. Clough III, Counsel for Exxon Corporation; ^{and to} the Honorable H.
12 Russel Holland, Chief Judge, United States District Court for the District of Alaska.

[add At last Relegam?]

7-LS1330A

Cook

5/1/91

HOUSE CONCURRENT RESOLUTION NO.**IN THE LEGISLATURE OF THE STATE OF ALASKA****SEVENTEENTH LEGISLATURE - FIRST SESSION****BY THE HOUSE SPECIAL COMMITTEE ON THE EXXON VALDEZ OIL SPILL CLAIMS SETTLEMENT**

Introduced:

Referred:

A RESOLUTION**1 Relating to the Exxon Valdez oil spill settlement.****2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 WHEREAS the Attorney General has negotiated a proposed settlement of most of the state's
4 claims arising from the Exxon Valdez oil spill; and

5 WHEREAS under the terms of the proposed settlement the legislature has been granted an
6 opportunity to review the settlement and to express its approval or disapproval of it; and

7 WHEREAS the House Special Committee on the Exxon Valdez Oil Spill Claims Settlement has
8 carefully reviewed the proposed settlement, and has concluded that it should be disapproved unless
9 certain changes are made;

10 BE IT RESOLVED by the Alaska State Legislature that the proposed settlement is disapproved
11 as written; and be it

12 FURTHER RESOLVED that the parties to the proposed settlement are requested to amend the
13 proposed settlement in the following respects:

14 (1) to provide for the payment of at least \$100,000,000 within 90 days of the date the
15 settlement is approved and, in addition, at least \$600,000,000 within one year of the date the settlement
16 is approved;

17 (2) to provide for a plea agreement establishing a criminal fine of at least \$500,000,000,

1 with at least \$100,000,000 of the fine to be remitted on payment of that amount to the State of Alaska
2 as restitution for economic losses incurred by the state as a result of the oil spill, and with at least
3 \$300,000,000 of the fine to be remitted on payment of that amount into the trust fund established in the
4 civil settlement, as restitution for damages to natural resources;

5 (3) to provide that there shall be no deduction from state taxes of any amounts payable
6 under the settlement;

7 (4) to provide for membership of two members of the legislature as ex officio nonvoting
8 members of the trustee board governing the operation of the trust fund established in the civil settlement;

9 (5) to provide that the state's share of the funds recovered in the civil settlement shall
10 be subject to appropriation into the trust fund, and expenditures from the trust fund of the state's share
11 shall be subject to appropriation by the Alaska State Legislature;

12 (6) to provide that if the trust fund is found to be an unconstitutional dedicated fund, the
13 civil settlement shall in all other respects be maintained;

14 (7) to provide that the funding decisions of the trustees of the trust fund shall be made
15 with input from a broad-based citizens' advisory board, that the trustees shall comply with Alaska law
16 regarding open meetings, public records, and adoption of regulations, and that the trust fund shall be
17 subject to oversight and auditing by the general accounting office and the Legislative Budget and Audit
18 Committee;

19 (8) to provide that scientific and economic data obtained by the state shall be released
20 unless the state demonstrates that the data is privileged, and that release of the information would
21 materially and substantially harm the state's case in pending litigation;

22 (9) to clarify the status of third-party claims and claims for damages to archaeological
23 resources;

24 (10) to require the parties to enter good faith negotiations to resolve the claims of third
25 parties; and

26 (11) to delete the "reopener" clause.

27 **COPIES** of this resolution shall be sent to the Honorable H. Russel Holland, Chief Judge, United
28 States District Court for the District of Alaska; Jack G. Clarke, Senior Vice-President, Exxon
29 Corporation; Richard Stewart, Assistant Attorney General, Environmental and Natural Resources
30 Division, United States Department of Justice; and to the Honorable Walter J. Hickel, Governor of the
31 State of Alaska.

SENATE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE SPECIAL COMMITTEE ON THE EXXON VALDEZ OIL SPILL CLAIMS SETTLEMENT

Introduced:

Referred:

A RESOLUTION

1 Approving the proposed Exxon Valdez oil spill claims settlement.

2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 WHEREAS the Attorney General has negotiated a proposed settlement of most of the state's
4 claims arising from the Exxon Valdez oil spill; and

5 WHEREAS under the terms of the proposed settlement the legislature has been granted an
6 opportunity to review the settlement and to express its approval or disapproval of it; and

7 WHEREAS the legislature's failure to approve the proposed settlement or disapproval of it will
8 not automatically terminate the proposal, but is, essentially, advisory to the executive branch of state
9 government and to the United States Department of Justice; and

10 WHEREAS the provisions of the proposed settlement do not appear to be negotiable; and

11 WHEREAS settlement of this major case is more desirable than years of litigation; and

12 WHEREAS if the case is settled, money that would otherwise be tied up in protracted litigation
13 will be immediately available to begin restoration of areas damaged by the oil spill; and

14 WHEREAS because of these considerations the legislature believes it is in the best interest of
15 the state to approve the proposed settlement despite the fact that members of the legislature do not
16 wholeheartedly support all of the provisions of the proposal;

WORK DRAFT

WORK DRAFT

WORK DRAFT

- 1 **BE IT RESOLVED** by the Alaska State Legislature that it approves the Agreement and Consent
- 2 Decree signed March 12, 1991, relating to the settlement of State v. Exxon Corporation, et al., United
- 3 States District Court, District of Alaska, Civil Action No. A91-083; and be it
- 4 **FURTHER RESOLVED** that the Governor is respectfully requested to inform the United States
- 5 Department of Justice that the legislature has approved the proposed settlement.

7-LS1211ND

Cook

4/15/91

SENATE CONCURRENT RESOLUTION NO.**IN THE LEGISLATURE OF THE STATE OF ALASKA****SEVENTEENTH LEGISLATURE - FIRST SESSION****BY THE SENATE SPECIAL COMMITTEE ON THE EXXON VALDEZ OIL SPILL CLAIMS SETTLEMENT****Introduced:****Referred:****A RESOLUTION****1 Approving the proposed Exxon Valdez oil spill claims settlement.****2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 WHEREAS the Attorney General has negotiated a proposed settlement of most of the state's
4 claims arising from the Exxon Valdez oil spill; and

5 WHEREAS under the terms of the proposed settlement the legislature has been granted an
6 opportunity to review the settlement and to express its approval or disapproval of it; and

7 WHEREAS the Attorney General has stated in a public meeting that if the legislature fails to
8 approve the proposed settlement the state will take action to terminate the proposal;

9 BE IT RESOLVED by the Alaska State Legislature that it approves the Agreement and Consent
10 Decree signed March 12, 1991, relating to the settlement of State v. Exxon Corporation, et al., United
11 States District Court, District of Alaska, Civil Action No. A91-083; and be it

12 FURTHER RESOLVED that the Governor is respectfully requested to inform the United States
13 Department of Justice that the legislature has approved the proposed settlement.

7-LS1136A
Cook
3/29/91

SENATE BILL NO.**IN THE LEGISLATURE OF THE STATE OF ALASKA****SEVENTEENTH LEGISLATURE - FIRST SESSION**

BY

Introduced:
Referred:

A BILL**FOR AN ACT ENTITLED**

1 "An Act making special appropriations to a joint trust fund of proceeds from the
2 settlement of certain claims arising from the Exxon Valdez oil spill; and providing for an
3 effective date."

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 * **Section 1.** State interests in money paid by defendants during fiscal years 1991 and 1992 under the
6 Agreement and Consent Decree that settles State v. Exxon Corporation, et al., United States District
7 Court, District of Alaska, Civil Action No. A91-083 that is to be deposited into a joint trust fund under
8 the Memorandum of Agreement and Consent Decree filed in United States v. State, United States
9 District Court, District of Alaska, Civil Action No. A91-081, is appropriated to the joint trust fund
10 established under the Memorandum of Agreement and Consent Decree to be used in accordance with
11 the Memorandum of Agreement and Consent Decree.

12 * **Sec. 2.** State interests in money paid by defendants after fiscal year 1992 under the Agreement and
13 Consent Decree that settles State v. Exxon Corporation, et al., United States District Court, District of
14 Alaska, Civil Action No. A91-083 that is to be deposited into a joint trust fund under the Memorandum

1 of Agreement and Consent Decree filed in United States v. State. United States District Court, District
2 of Alaska, Civil Action No. A91-081, is appropriated to the joint trust fund established under the
3 Memorandum of Agreement and Consent Decree to be used in accordance with the Memorandum of
4 Agreement and Consent Decree.

5 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

SENATE BILL NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY

Introduced:

Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act granting authority to the attorney general to dispose of certain claims arising
2 from the Exxon Valdez oil spill, approving an agreement and consent decree involving
3 claims arising from the oil spill; and providing for an effective date."

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 * Section 1. The attorney general is authorized to enter into an agreement and consent decree to settle
6 State v. Exxon Corporation, et al., United States District Court, District of Alaska, Civil Action No. A91-
7 083. Under the settlement the attorney general is authorized to

8 (1) establish a joint trust fund with the federal government for the collection and joint
9 use by the state and federal governments of money received under the settlement agreement;

10 (2) dismiss or otherwise terminate State v. Exxon Corporation, et al., Superior Court for
11 the State of Alaska, Third Judicial District, Civil No. 3AN-89-6852 and other Civil claims of the state
12 arising from the Exxon Valdez oil spill.

13 * Sec. 2. The legislature approves the Agreement and Consent Decree signed March 12, 1991,
14 relating to the settlement of State v. Exxon Corporation, et al., United States District Court, District of

WORK DRAFT

WORK DRAFT

WORK DRAFT

1 Alaska, Civil Action No. A91-083.

2 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

*Order of Business for
Committee this
afternoon.*

HOUSE RESOLUTION NO. 4

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE

Introduced: 3/18/91

Referred: Today's Calendar

A RESOLUTION

1 Establishing a House Special Committee on the Exxon Valdez Oil Spill Claims Settlement.

2 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:

3 WHEREAS justice requires that Alaska be adequately compensated for the damage done to it
4 as a result of the oil spilled from the T/V Exxon Valdez in March of 1989; and

5 WHEREAS the Agreement and Consent Decree in United States v. Exxon, et al., and State of
6 Alaska v. Exxon, et al., signed by the parties on March 12, 1991, allows the United States or the State
7 of Alaska to withdraw its consent to the Agreement if the Alaska State Legislature fails to approve the
8 Agreement within 45 days from the date that notice of the Agreement is published in the Federal
9 Register;

10 BE IT RESOLVED by the House of Representatives that a House Special Committee on the
11 Exxon Valdez Oil Spill Claims Settlement is established to study the proposed Agreement and related
12 documents; and be it

13 FURTHER RESOLVED that the Speaker of the House of Representatives shall determine the
14 number of representatives to be members of the committee, shall appoint the members, and shall
15 designate a member to chair the committee; and be it

16 FURTHER RESOLVED that the House Special Committee on the Exxon Valdez Oil Spill
17 Claims Settlement shall hold, in addition to its own meetings, joint meetings with a like Senate

1 committee for the purpose of receiving public testimony on the proposed Agreement; and be it

2 **FURTHER RESOLVED** that the House Special Committee on the Exxon Valdez Oil Spill

3 ③ Claims Settlement shall report to the House of Representatives by the 35th day after the Agreement is

4 published in the Federal Register the committee's recommendation that the House approve or disapprove

5 the proposed Agreement, and that the committee is terminated on the 46th day after the Agreement is

6 published in the Federal Register.

HOUSE RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE GRUENBERG

Introduced:

Referred:

A RESOLUTION

1 Extending the reporting deadline for the House Special Committee on the Exxon Valdez

2 Oil Spill Claims Settlement.

3 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:

4 WHEREAS the House Special Committee on the Exxon Valdez Oil Spill Claims Settlement was
5 established by House Resolve No. 4 this session; and6 WHEREAS the proposed settlement of state claims arising from the Exxon Valdez oil spill is
7 complicated and raises substantial legal and policy questions; and8 WHEREAS the special committee has worked diligently on the issue and has held numerous
9 meetings to provide the public an opportunity to comment on the proposed settlement; and10 WHEREAS despite great efforts, the special committee is not yet ready to report its
11 recommendation that the House of Representatives approve or disapprove the proposal;12 BE IT RESOLVED by the House of Representatives that the House Special Committee on the
13 Exxon Valdez Oil Spill Claims Settlement may continue to study the proposed settlement and shall
14 report to the House of Representatives by April 26, 1991, the committee's recommendation regarding
15 the proposed settlement.

SCOMMS

76.12

WORK ORDER REQUEST FORM

W.O. [17] LS-1330

KEYWORDS: DISASTER ASSIGNED: Cook

ENVIRONMENTAL CONCERNS

HAZARDS

REQUEST FOR: Resolution TAKEN BY: Cook

SUBJECT: Exxon Oil Spill Settlement

REQUESTED FOR: HC EVC BY: Andy PHONE: 465-4945

DELIVER TO: Rep. Gruenberg, Cap 216

INSTRUCTIONS: Draft HCR. Passed out - make only absolutely necessary changes. See attached.

House Special Committee on the Exxon Valdez Oil Spill Settlement

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED []
AUTHORIZED TO CONFER WITH _____

RETURN _____
_____ TO REQUESTOR

APPROVED: X DIRECTOR, LEGAL SERVICES

REVIEWED _____

IN 05/01/91 DUE _____

TYPED: Draft _____ Date _____

Final _____ Date _____

PROOFED _____ DELIVERED _____

SPECIAL INSTRUCTIONS to TYPING/PROOFING
RUSH _____

Request for FINAL

LEGISLATOR'S COPY

If you have any modifications, please contact the assigned staff immediately.

LEGISLATIVE RESEARCH AGENCY
RESEARCH REQUEST FORM

91.251

Request #

Representative Max Gruenberg
Requested for (Legislator)

Andy Hemenway (4968)
Staff Phone Number

04/12/91 (GSH)
Date/Time Initials

Tax and Royalty Loss from Exxon

Valdez Spill

ASSIGNMENT

Tom Chester 04/15/91
Staff (3991) Date

SUBJECT DESCRIPTION

Estimate the revenue lost to the state from the following sources due to the March
1989 Exxon Valdez oil spill: 1) petroleum taxes and royalties; and 2) raw fish taxes.
Also estimate the income lost from salmon enhancement tax.

PURPOSE:

Background Info/Pertinent Files?

ANTICIPATED COMPLETION DATE: April 24, 1991

WORK ORDER REQUEST FORM

W.O. [17] LS-1044

Mark

KEYWORDS: COURTS ASSIGNED: Finley

LITIGATION

OIL/GAS

REQUEST FOR: Research/OP TAKEN BY: Finley

SUBJECT: Exxon Consent Decree & MOA

REQUESTED FOR: REP GRUENBERG BY: Rep. Gruenberg PHONE: 465-4968

DELIVER TO: Rep. Gruenberg, Cap 216

INSTRUCTIONS: Explain the consent decree and MOA.

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED []

AUTHORIZED TO CONFER WITH _____

RETURN _____

_____ TO REQUESTOR

APPROVED: X DIRECTOR, LEGAL SERVICES

REVIEWED _____

IN 03/18/91 DUE _____

TYPED: Draft _____ Date _____

Final _____ Date _____

PROOFED _____ DELIVERED _____

SPECIAL INSTRUCTIONS to TYPING/PROOFING

Request for FINAL

Alaska State Legislature

Legislative Research Agency



P.O. Box Y
Juneau, AK 99811-3100
Phone: (907) 465-3991
Fax: (907) 463-3351

April 1, 1991

MEMORANDUM

TO: Andy Hemenway
FROM: Gordon S. Harrison, Director *gsh*
RE: Request for Information About Allied Chemical Corporation

You asked for corporate income data for Allied Chemical Corporation in 1976. Attached is multi-year financial information about the company from *Moody's Industrial Manual*.

Also, you asked for the value in 1991 dollars of \$13 million in 1976 dollars. The U.S. Bureau of Labor Statistics has not yet published a consumer price index (CPI) through 1991. However, if we assume an inflation rate of 5.5 percent for 1991, 13\$ million dollars in 1976 is the equivalent of \$31.2 million in 1991. The value in 1990 dollars using the latest published CPI figure is \$29.6 million.

I hope this is the information you were looking for. If we can be of further assistance do not hesitate to ask.

CAPITAL STRUCTURE

LONG TERM DEBT

Issue	Rating	Amount Outstanding
1. Debenture 5.20s, 1991	A	\$119,647,000
2. Debenture 6.60s, 1993	A	85,366,000
3. Debenture 7.75s, 1996	A	96,887,000
4. Debenture 9s, 2000	A	75,000,000
5. 8 1/4% notes, 1983	A	75,000,000
6. Union Sulph. & Oil debts. (assumed)	A	2,466,000
7. Installment notes	A	23,546,000
8. Pollution Control Div. Bonds and note oblig.		27,000,000
9. Other debt		28,000,000

CAPITAL STOCK

Issue	Par Value	Amount Outstanding
1. Common	\$9	\$27,969,121 shs.

Placed privately. Subject to change; see text. Based on avg. shs. as reported by Co. 1976 after extraordinary charge; before, \$4.52. Beginning Oct. 1, 1981.

HISTORY

Incorporated Dec. 17, 1920 under a perpetual charter in New York as Allied Chemical & Dye Corp. (present name adopted Apr. 28, 1958); to consolidate by stock ownership the control of (1) The Barrett Co., incorporated in New Jersey, Feb. 6, 1903 as American Coal Products Co. and name changed to The Barrett Co. in 1915 (2) General Chemical Co., incorporated in New York, Feb. 15, 1899 (3) National Aniline & Chemical Co., Inc., incorporated in New York, May 26, 1917 (4) Somet-Solvay Co., incorporated in New York, July 8, 1895, and (5) The Solvay Process Co., incorporated in New York, Sept. 28, 1881. For details of above acquisitions, see Moody's 1949 Industrial Manual.

During 1947, General Chemical Co., Somet-Solvay Co. and The Solvay Process Co., together with certain minor subsidiaries, were merged. Business formerly conducted by these companies, as well as business formerly conducted by National Aniline & Chemical Co., Inc., and Barrett Co. which was merged in 1941, is now conducted as divisions.

During 1952 Nitrogen Division was formed to take over manufacture and sale of ammonia and other nitrogen and related products previously made by Solvay Process Division and sold by Barrett Division.

In 1954 acquired Mutual Chemical Co. of America; merged Mar. 1, 1955.

In 1955, company formed Allied Chemical International Division which specializes in operations outside the U.S. and Canada.

In 1959, company started first privately owned plant for production of uranium hexafluoride from uranium concentrates for sale under contract to Atomic Energy Commission at Metropolis, Ill.

On Feb. 20, 1962, acquired Union Texas Natural Gas Corp. (Del) for 6,352,795 common shares.

In Sept., 1963 formed Fibers Division for fiber program.

In May 1964, acquired Southern Propane Co. in exchange for 200,000 common shares. Now operated as a subsidiary supervised by Union Texas Petroleum Division.

In Jan., 1966, acquired certain assets of Polymer Chemicals Division of W.R. Grace & Co.

In Feb. 1966, Company and Aerojet General Corp. agreed to form jointly owned Idaho Nuclear Corporation for purpose of managing and operating a portion of National Reactor Testing station at Idaho Falls, Ida., under a 5-year contract which expired June 30, 1971, for the U.S. Atomic Energy Commission. In May 1969 the Corp. was reorganized, Aerojet General Corp. assuming a 52% interest with Allied Chemical and Phillips Petroleum sharing the remainder. On July 1, 1971, Allied Chemical entered into a new contract covering sole management of the National Reactor Testing Station's chemical processing plant and related activities. Company continues to manage these activities for the Energy Research and Development Administration at the Idaho National Engineering Laboratory (formerly National Reactor Testing Station).

In 1968 acquired 50% interest in Jim Robbins Seat Belt Co. which was increased to 100% on Aug. 1, 1967 (merged into Co. on Oct. 31, 1974).

On Aug. 1, 1967 sold Barrett building materials business to Jim Walter Corp. for \$20,000,000 cash and 731,607 1/2 conv. series 1 3rd preferred shares of Jim Walter Corp., which were sold in Apr. 1968 for \$46,969,169.

In Oct. 1967, acquired 50% interest in Daal Specialties Ltd. and Daal Specialties (Collingwood) Ltd. Interest increased to 100% in June 1969. Now operated as Daal Specialties (Canada) Ltd. under direction of Automotive Products Div.

On Mar. 2, 1970, company and a Gulf Oil Corp. subsidiary (General Atomic Co.) formed Allied Gulf Nuclear Services, a partnership, for the construction and operation of a nuclear fuel recovery plant at Barnwell, S.C.

In early 1974 Gulf Oil Corp. went into partnership with Scallop Nuclear Inc., a subsidiary of the Royal Dutch Shell Group. Subsequently sold a 50% interest in General Atomic Co., to Scallop Nuclear, which resulted in a name change to Allied-General Nuclear Services.

ALLIED CHEMICAL CORPORATION

Times

Charges Earned

1976 1975

Interest

Dates

Call

Price

Price Range

1976 1975

M&N 1	103.00	81 1/2 - 73 1/4	74 1/2 - 67 1/4
F & A 1	103.63	91 - 83 1/4	83 1/2 - 75 1/2
M & S 1	103.325	101 1/4 - 84	92 - 81
A & O 1	107.425	103 1/4 - 102	100 1/4 - 95
A & O 1	100	106 1/2 - 99	102 1/2 - 97 1/4
M & S 1	100		93 - 91

Earned per Sh.

1976 1975

Divs. per Sh.

1976 1975

Call

Price

Price Range

1976 1975

\$4.18	\$4.17	\$1.80	\$1.80	44 1/8 - 33 1/8	42 - 27
--------	--------	--------	--------	-----------------	---------

ported by Co. 1976 after extraordinary charge; before, \$4.52. [5]Beginning Oct. 1,

In Jan. 1971, Company and Salem Corp. formed Coaltek Associates, a partnership of affiliates of Company, Salem and Gibbons Dudley Ltd., a British firm, (in late 1973 Gibbons Dudley Ltd. sold their share of their equal partnership with Salem Corp. in Coaltek Associates to Salem Corp.) for purpose of licensing new method for pipeline charging of coke ovens with pre-heated coal.

In 1971 acquired a group of small seat belt producers called Klippan Companies, with plants in West Germany, France, Italy, Sweden and Switzerland. A new plant in Belgium to make plastic, metal and fabric components of safety restraints was completed in 1973.

In Jan. 1975, Co. acquired the assets of S. Delia Corp. and E.G. Delia and Son Construction Corp. for 112,615 common shares.

In 1975 acquired the fluorspar mines and processing plants of Minerva Oil Co. at Cave-in-Rock, Ill.

SUBSIDIARIES

On Dec. 31, 1976, held 100% of the voting power in the following subsidiaries:

Domestic

Allied Chemical Communications Co., Inc.
Allied Chemical Coal Technology Corp.
Allied Chemical Interamerican Corp.
Allied Chemical International Corp.
Allied Chemical (North Sea), Ltd.
Allied Chemical Minerals Ltd.
Allied Chemical Nuclear Products, Inc.
Allied Chemical de Puerto Rico, Inc.
Ashland By-Product Gas Co.
Chico of Texas Corp.
Delia Construction Corp.
Ironby-Product Gas Co.
Nypel, Inc.
Seta Construction Co.
Southern Propane Finance Co.
Sugar Bowl Gas Corp.
Sugar Bowl Industrial Gas Corp.
Texas Gas Pipe Line Corp.
Texgas Corp.
Texgas Service Stations, Inc.
The Tully Pipe Line Co.
Union Petrolera Venezolana, C.A.
Union Texas (Argentina) Ltd.
Union Texas Dubai, Inc.
Union Texas Far East Corp.
Union Texas Norway Corp.
Unola de Argentina, Ltd.
Uno-Tex Petroleum Corp.
Union Texas Petrolera de Guatemala, Inc.
Union Texas Petroleum Corp.
Union Texas (Nederland), Inc.
Union Texas Espana, Inc.
Union Texas Asia Corp.
Union Texas Germany, Inc.
Union Texas Kenya Corp.
Union Texas Trading Co. Ltd.

Foreign

Alchem Assurance, Ltd.
Alida Quimica de Venezuela, C.A.
Allied Chemical (NZ) Ltd.
Allied Chemical, S.A.
Allied Chemical Canada, Ltd.
Allied Chemical de las Americas, S.A.
Allied Chemical do Brasil Comercio Industria Ltda.
Allied Chemical (Great Britain) Ltd.
Allied Chemical Nederland N.V.
Allied Chemical Singapore Ltd.
Daal Specialties (Canada) Ltd.
Klippan G.m.b.H.
Klippan N.V.
Klippan S.A.
Klippan Automotive Products, A.B.
Materias Primas, S.A.
N.V. Allied Chemical International S.A.
Quimica Aliada de Centro America S.A.
Sigmatex A.G.
S.P.A.A. Klippan S.a.r.l.
Union Texas Germany Shore Base GmbH
Union Texas Indonesia, Ltd.
Union Texas of Canada, Ltd.
Union Texas Northwest Ltd.

Affiliates: Quimobasicos S.A. (49%); Aliada Quimica S.A. (50%); Klippan Italia S.p.A. (67%); Compania Minera Rio Colorado (40%).

BUSINESS & PRODUCTS

ENERGY

Petroleum: Company's petroleum products include natural gasoline, liquefied petroleum

gases (LPGs), residue gas, produced and purchased natural gas, crude oil and condensate, ethane and ethylene. Natural gasoline is sold to refiners for use as a blending stock. LPGs are sold as petrochemical feedstocks, agricultural, industrial and home heating fuels, and as a fuel for tractors, trucks and buses. Refined products are sold to motor gasoline wholesalers and through service stations owned or franchised by company. A significant portion of LPGs are sold through Texgas® LPG retail outlets. Substantially all residue gas and natural gas produced by company is sold to gas transmission companies under long-term contracts. Natural gas is also purchased by Co. for its intrastate pipeline systems in Louisiana and Texas. About 50% of these purchases are sold to customers under long-term contracts and balance is used by company in certain plants located in Louisiana & Texas. Produced crude oil and most condensate are sold to others for further processing. Ethylene is a raw material from which company makes ethylene dichloride, vinyl chloride monomer, high density polyethylene and polyethylene waxes.

Company's petroleum business is significantly smaller than that of major oil companies although it is a significant segment of Company's total operations. Co. has expanded its oil and gas exploration and it is currently engaged in a worldwide oil and gas exploration and production program.

Coal, Coke and Other: Metallurgical coal is mined and used principally by company in production of coke. Nonmetallurgical coal is mined and sold for use in production of energy.

Company produces coke and its various by-products, including ammonia liquor, tar, tars and light oil distillates and pitch and pitch by-products from processing of tar. Coke is sold principally for use in production of iron and steel and in foundry operations. By-products of coke are separated into various constituents for sale or use by company, and surplus gas from coke production is sold to various industrial customers.

Company is a major merchant producer of furnace coke. Company also produces of furnace coke for sale to others, although its production is insignificant compared to that of major steel companies. Furnace coke is produced at Co.'s Ashland, Ky. and Ironton, Ohio plants, the production from which is essentially dedicated to two customers under long-term supply contracts.

A joint venture, in which company has a 50% interest, develops and markets technology for preheating and pipeline charging of coal to coke ovens.

Company is one of two major domestic processors of uranium ore concentrate into uranium hexafluoride, which is an essential intermediate in production of fuel elements for nuclear power reactors.

Company is a 50% partner in Allied-General Nuclear Services, which has built a commercial nuclear fuel reprocessing complex at Barnwell, S.C., now awaiting operating license.

FIBERS AND FABRICATED PRODUCTS

Fibers: Company is one of three major domestic producers of nylon-6 yarns, which are sold in competition with nylon-6.6. Producers of nylon-6.6 include firms whose production of that product is very much larger than the Company's production of nylon-6. Nylon yarns are subject to considerable price competition. Company makes caprolactam, the intermediate from which it produces fine and heavy denier nylon yarns, in a wide variety of forms with different textures and characteristics, some of which are sold under trademarks Caprolan®, Captiva®, Anso®, and Anso X®. Fine deniers are sold to textile industry for use in manufacture of fabrics for apparel and upholstery. Heavy deniers are used principally in carpet yarn, industrial fabrics and belting and tire cord. Both continuous filament and staple yarns are sold for manufacture of carpeting. Company also produces heavy denier polyester yarn for use in industrial fabrics, and tire cord.

Fabricated Products: Company produces automotive seat belts and shoulder harnesses; Capran® nylon-6 thermoplastic film used

mainly in laminates for packaging processed foods; Aclar® film, a fluorinated-hydrocarbon suitable for pharmaceutical and electronic packaging applications; and polyvinyl chloride films used for shrink film; and Petra® polyester film for blister packaging. Co. is also in road construction business and produces bituminous concrete, bituminous liquids, pavement sealers and recreational surface coatings. Co. makes synthetic crystals for use in laser range finders and in semi-conductors for computer memory systems, calculators, watches and communications equipment.

Co. is the world's largest producer of automotive seat belts and shoulder harnesses, which are the principal products of the fabricated products group.

Protective devices other than conventional automotive lap belts and shoulder harnesses may be installed in automobiles in the future. Company has done substantial work in connection with development of air bag and inflatable safety restraint devices, which may replace such belts and harnesses for certain seating positions in vehicles.

CHEMICALS

Company is a major chemical producer. Company's chemical products are sold principally to other manufacturers for use in production of their products and to a lesser extent to dealers, some of whom distribute such products under their own names and to ultimate consumers. Many of Company's chemical products are subject to considerable price competition.

Inorganic Chemicals: Major products in this group are sulfuric, hydrochloric, hydrofluoric and nitric acids, aluminum sulfate, soda ash, caustic soda, chlorine, sodium bichromate and chromic acid and other chromium chemicals. Other significant chemicals in group are sodium bicarbonate, calcium chloride, aluminum fluoride, and ammonium chloride. Co. also mines the mineral fluor spar.

Sulfuric acid, most widely used industrial chemical, is used principally in production of other chemicals, fertilizers, iron and steel, rayon and petroleum products. Uses for other products in this group include water purification, chrome plating and production of fluorocarbons, paper, soap, synthetic detergents, glass, textiles, leather, plastics, petroleum products, rayon, aluminum, and other chemicals.

Plastics: Products in this group include low molecular weight polyethylene waxes for floor polishes, rubber compounding and molding, textile finishes, inks and paper coatings; high density polyethylene resins for pipe, blow molded bottles and injection molding; thermosetting molding resins for packaging closures, for dinnerware, and for high quality electronic components; nylon compounds and polytetrafluoroethylene and other fluorine-containing polymers for electrical and other applications.

Organic Chemicals: Major organic products are dyes, phthalic anhydride, Nacconate® isocyanates, Genetron® fluorocarbons, phenol, oximes, vinyl chloride monomer and ethylene dichloride. Dyes are used as colorants by many manufacturing industries, such as the paper, textiles, paint, ink and leather. Phthalic anhydride is used for making resins incorporated in paints, enamels and other coatings. Isocyanates are primary ingredients in production of rigid and flexible urethane foams. Genetron® fluorocarbons are used chiefly as refrigerants, as blowing agents for urethane foams and aerosol propellants. Phenol is principal raw material for caprolactam and is also used in manufacture of phenolic resins. Oximes are intermediates used in the manufacture of pesticides, anti-oxidants, blocking agents and many other compounds.

Other products in this group include acetone, chloromethanes, melamine crystal, urea, formaldehyde, chlorobenzenes, Pcmalus® malic acid, a food acidulant and food colors.

Agricultural Chemicals: Included in this group are anhydrous ammonia, ammonium sulfate and other ammonia-based products such as nitrogen solutions and urea, and ammonium polyphosphates and also zinc-nitrogen compound. These products are used principally for manufacture of mixed and direct application fertilizers in production of plastics and other chemicals, and as liquid feed supplements for cattle.

SOURCES OF REVENUE: Net sales in millions of dollars by lines of business and principal product groups follow:

	—1976—		—1975—	
	Rev.	% of Total	Rev.	% of Total
Energy:				
Petroleum	430	16	373	16
Coal, coke & other	196	8	208	9
Fibers & Fabricated Products:				
Fibers	125	12	274	12
Fabricated prod.	266	10	230	10
Chemicals:				
Inorganic	594	23	497	21
Plastics	200	8	154	7
Organic	395	15	331	14

	—1976—		—1975—	
	Rev.	% of Total	Rev.	% of Total
Agricultural	224	8	266	11
Total	\$2,630	100	\$2,333	100

DIVISIONS

Allied Chemical International—Sells outside of U.S., products manufactured by operating divisions and affiliates of Allied Chemical Corp., manages overseas investments of company, and licenses Allied Chemical's technology to other companies outside the U.S.

Agricultural Division—Nitrogen solutions, ammonia and urea products, phosphoric and potassium fertilizer materials, trace elements; nitrogen-zinc foliar spray and feed urea and liquid protein for animal nutrition.

Automotive Products Division—Automotive seat belts and shoulder harnesses; air cushion passive restraint systems.

Fibers Division—Nylon and polyester fibers for apparel, home furnishings, tire and industrial uses; Caprolan® nylon and yarns for apparel; Anso® filament and staple nylon, and Anso-X® anti-static nylon staple yarns for carpet; nylon and polyester yarns for tire and industrial applications; packaging films and chemicals such as caprolactam, ammonium sulfate, and adipic acid.

Industrial Chemicals Division—Mineral acids, chlor-alkalis and other basic chemicals for industry. Major products are sulfuric, muriatic, nitric and hydrofluoric acids; soda ash, caustic soda and related alkalies; chlorine; calcium chloride; alums; ammonium, potassium, sodium and aluminum compounds; vinyl chloride monomer; ethylene dichloride; aluminum fluoride; chromium chemicals; paving materials, stone, sand and gravel aggregates.

Nuclear Services Division—Processes uranium for ultimate use in nuclear fuels.

Semet-Solvay Division—Coke and by-products; coal, coal chemicals and industrial tar products.

Specialty Chemicals Division—Prominent in area of fluorine and its many compounds, manufactures Genetron® aerosol propellants and refrigerants; solvents. Other principal product groups include Nacconate® isocyanates; electronic chemicals; dyes; food colors and acidulants, including Pomalus® malic acid; aniline; chlorobenzenes and chloromethanes.

Plastics and resins: urea, melamine, alkyd, epoxy and diallyl phthalate thermoset molding compounds; thermoplastic resins, including polyethylene, fluorocarbons, nylon; phthalic anhydride, phenol, adipic acid, formaldehyde, acetone and industrial urea.

Union Texas Petroleum Division—Crude oil, natural gas, natural gas condensate, ethane, propane, butanes, natural gasoline, aromatics, olefins, and solvents.

Allied Chemical Canada, Ltd.—Company's principal operating subsidiary—Soda ash, calcium chloride, sulfuric acid, hydrofluoric acid, aluminum sulphate, aerosol propellants and refrigerants, toluene di-isocyanate; distributes company's products in Canada.

PRINCIPAL PLANTS & PROPERTIES

Company operates plants, research laboratories, mines, quarries and other facilities in operation throughout U.S., Canada and Europe. Plants are located to serve large marketing areas and to provide accessibility to raw materials.

Principal plants, mines and quarries which are owned in fee, unless otherwise indicated, are as follows:

Petroleum	
Eunice, La.	Rankin, Tex.
Rayne, La.	Silver, Tex.
St. Bernard, La.	Ringwood, Okla.
Coal, Coke & Other	
Fairfield, Ala.	Ironton, Ohio
Metropolis, Ill.	Capels, West Va.
Ashland, Ky.	Montgomery, West Va.
Detroit, Mich.	
Buffalo, N.Y.	
Soft coal leases.	
Fibers	
Moncure, N.C.	Bermuda Hundred, Va.
Columbia, S.C.	Hopewell, Va.
Fabricated Products	
Macon, Ga.	Collingwood, Ontario
Pottsville, Pa.	Canada
Knoxville, Tenn.	Gourney, France
Ypres, Belgium	Hamburg, Germany
Inorganic Chemicals	
El Segundo, Cal.	Elizabeth, N.J.
Pittsburg, Cal.	Buffalo, N.Y.
Richmond, Cal.	Jameville, N.Y.
N. Claymont, Del.	Syracuse, N.Y.
Brunswick, Ga.	Acme, N.C.
Chicago, Ill.	Cleveland, Ohio
Danville, Ill.	Marcus Hook, Pa.
East St. Louis, Ill.	Newell, Pa.
Baton Rouge, La.	Moundsville, West Va.

Baton Rouge, La.
Geismar, La.
Front Royal, Va.
Anacortes, Wash.

Baltimore, Md.

Owensville, Mo.

Danville, Ill.
Geismar, La.
Elizabeth, N.J.
Buffalo, N.Y.
Philadelphia, Pa.

So. Charleston, W. Va.

Leased plant.

Jointly owned.

Trona mineral.

Limestone quarry.

Geismar, La.

Omaha, Neb.

Baton Rouge, La.

Toledo, O.

Nitro, West Va.
Green River, Wyo.
Green River, Wyo.
Amherstburg, Ontario, Canada

Corruna, Ontario, Canada

Valleyfield, Quebec, Canada

Organic Chemicals

Baton Rouge, La.

Baton Rouge, La.

South Point, O.

Moundsville, W. Va.

Amherstburg, Can.

Corruna, Can.

Agricultural

Hopewell, Va.

Plastics

Tonawanda, N.Y.

Orange, Tex.

Oil and Gas

In 1976, capitalized portion of Company's expenditures for exploration and development of oil and gas properties and for acquisition of oil and gas properties totaled \$155,500,000.

Company holds various interests (leasehold, contract or others) in producing oil and gas properties located in the United States, U.K., North Sea, Canada, Argentina, and Indonesia. Additionally, Company has various interests in or rights to conduct exploratory activities on undeveloped acreage located in United States, Canada, British and West German sectors of North Sea, Indonesia, and offshore Spain, Italy and Dubai.

Company has 35% interest (reducible to 26 2/3% under certain options) in a joint venture which is developing oil and gas fields in Kalimantan, Indonesia; and 20% interests in both Piper and Claymore Fields in the British North Sea.

At Dec. 31, 1976, Company's worldwide net proved reserves were estimated to be 29 million barrels of liquid hydrocarbons (crude oil, condensate and natural gas liquids) and 1.2 trillion cubic feet of natural gas. The Company also estimates it had 68 million barrels of liquids, and 186 billion cubic feet of residue gas committed at Dec. 31, 1976, under gas processing contracts.

Other Properties:

An administrative and research and development complex is located at Morris Township, N.J. Other research and development laboratories are located near Petersburg, Va., at Buffalo and Syracuse, N.Y., and a development center for automotive products is located at Mt. Clemens, Mich.

Company owns and also leases for its own use warehouses, railroad cars, barges, automobiles, trucks and material handling equipment. It also leases space for administrative and sales staffs and leases data processing equipment.

Capital Expenditures (in \$000):

1976:	
Land & improv.	4,009
Oil & gas prop.	63,578
Mach. & equip.	246,948
Buildings	2,387
Off. furniture	1,927
Transport. equip.	2,904
Construction in progress	25,023

Total \$346,776

Joint Venture Plant: Company and General Atomic Co., a Calif. partnership in which equal shares are owned by Gulf Oil Corp., (see alphabetical index) and Scallop Nuclear, Inc., (a Del. corporation which is wholly owned by Royal Dutch Shell Group) have built a plant at Barnwell, S.C. costing approx. \$250,000,000 to process used nuclear fuel from atomic power plants. Sustained plant operation will be dependent on licensing by the Nuclear Regulatory Commission and resolution of uncertainties as to the recycling of plutonium and the final form of waste products, and construction of related facilities. The Barnwell plant, with processing capacity of 1,500 metric tons of spent atomic fuel per year, is mutually owned by General Atomic Co. and a wholly owned subsidiary of Company, Allied Chemical Nuclear Products, Inc.

MANAGEMENT

Officers	
J. T. Connor, Chmn. & Chief Exec. Off.	
A. B. Trowbridge, Vice-Chmn.	
R. E. Mulcahy, Pres.	
H. G. Teverbaugh, Senior Vice-Pres.	
Alan Belzer, Group Vice-Pres.	
W. D. Geitz, Group Vice-Pres.	
R. G. Denkwalter, Vice-Pres.—Res. & Tech.	
H. G. Robinson, Vice-Pres.—Med. Affairs	
W. H. Sykes, Vice-Pres.—Finance	
A. F. Vatters, Vice-Pres.—Corp. Rel.	
H. W. Buirle, Vice-Pres.—Admin.	
B. D. Forrow, Vice-Pres. & Gen. Counsel	
W. A. Kebsa, Controller	

P.J. Schiller, Treasurer
H.B. Flanders, Jr., Sec.

Directors

R.T. Bonn
J.T. Connor
J.P. Fishwick
B.D. Forrow

G.W. Miller
R.E. Mulcahy
C.W. Nichols, Jr.
Richard S. Perkins

E.B. Giblin
J.D. Glover
Katherine Graham

Auditors: Price Waterhouse & Co.

Annual Meeting: Monday preceding the last Tuesday in April of each year.

No. of Stockholders: Dec. 31, 1976, 66,834.

F.J. Pizzitola
R.R. Shinn
A.B. Trowbridge, Jr.

No. of Employees: Dec. 31, 1976, 33,448.

Corporate Headquarters: Columbia Road & Park Ave., P.O. Box 4000R, Morris Township, NJ 07960. Tel.: (201)455-2000.

New York Office: 1221 Ave. of the Americas, New York, NY 10020.

INCOME ACCOUNTS

COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED DEC. 31
(Taken from reports to Securities and Exchange Commission) (in thousands of dollars)

	1976	1975	1974	1973	1972	1971	1970
Sales & operating revenues	\$2,629,567	\$2,333,111	\$2,215,946	\$1,664,551	\$1,500,977	\$1,325,893	\$1,248,479
Cost of goods sold & oper. exp.	2,081,523	1,817,182	1,697,898	1,255,245	1,135,641	984,171	923,113
Depreciation & depletion	136,146	128,596	105,450	108,945	117,431	119,202	119,645
Sell., gen. & adm. exp.	179,820	163,777	152,061	138,751	134,564	135,070	133,973
Gross income from operations	232,078	223,556	250,537	161,610	113,341	87,450	71,748
Dividends & equity income	1,351	1,711	2,207	3,161	2,693	2,063	4,267
Interest and mis. income	10,237	7,500	9,673	19,471	10,483	10,461	9,551
Total income	243,666	232,793	262,417	184,242	126,517	99,974	85,566
Loss on dispos. of oper. assets	cr92,619			6,670			
Loss on termination of gas supply contract	95,851						
Preoperat. exp. of Allied-General Nuclear Services	6,881	5,334	7,759				
Interest & exp. on debt	45,086	40,362	26,349	28,783	30,270	29,184	28,527
Profit on purch. of debts	1,238	2,532	1,603				
U.S. & Canadian income taxes	26,658	16,117	54,973	33,612	12,047	5,859	cr2,706
Deferred income tax	24,399	48,012	25,218	18,813	12,939	6,235	11,113
Other income taxes	12,343	9,280	8,401	6,139	7,946	6,153	5,359
Income bef. extraord. items	126,305	116,194	144,320	90,225	63,315	52,543	43,273
Extraordinary items	cr9,506				cr582	cr3,595	cr25,289
Net income	116,799	116,194	144,320	90,225	63,897	56,138	68,562
Retained earnings, beginning of year	703,345	637,439	535,666	481,010	450,183	427,121	391,943
Common dividends (cash)	50,348	50,223	42,547	35,569	33,070	33,067	33,206
Other debits		65				9	178
Retained earnings, end of year	\$769,796	\$703,345	\$637,439	\$535,666	\$481,010	\$450,183	\$427,171

SUPPLEMENTARY P. & L. DATA

Maintenance & repairs	\$207,302	\$165,161	\$150,988	\$123,916	\$111,413	\$113,119	\$107,147
Taxes other than income	70,219	65,070	61,279	52,142	44,338	40,500	37,949
Rents	46,125	43,321	40,030	37,112	35,419	35,476	33,600
Royalties	6,508	5,617	5,468	4,498	3,875	3,672	3,925
Wages, salaries & empl. benefits	642,274	554,637	503,019	457,739	420,035	393,485	380,746
Restated to reflect adjustment for deferred taxes on intangible drilling costs on oil and gas properties.						2,983	4,243
Includes related portions of items shown under "Supplementary p. & l. data" below statement.						87,624	
1976-73 includes foreign income taxes.						22,322	(13,100)
Represents net payments exclusive of amount applicable to treasury shares.						16,806	13,531
1976: Consists of \$9,506,000 extraordinary charge after related tax benefit of \$4,660,000 in connection with the Kepone problem at Hopewell, Va.						500,494	509,004
1972: Consists of \$1,492,000 gain after related tax of \$488,000 on disposition of a marketable security and a net loss of \$910,000 after related tax benefit of \$1,270,000 associated with shutdown of a small, unprofitable business.						346,776	304,685
1971: Consists of \$4,253,000 gain on sale of Company's investment in a domestic affiliate and a net loss of \$658,000 from the disposition of facilities and processes.						1,609	24,036
1970: Consists of \$19,873,000 gain on sale of 800,000 shares of Owens Illinois, Inc. common stock; \$3,834,000 gain on sale of certain foreign investments; \$1,582,000 net credits relating to completion of certain matters initially provided for in 1968.						(12,323)	30,123
1975, 1971-70: Excess of cost over market of treasury stock disposed of.						50,348	50,223
Includes payroll taxes (1976, \$32,108,000).						20,272	22,665
General Note						95,851	
No charges made to income to provide for amortizing intangible asset included in consolidated balance sheet as patents, processes, goodwill, etc. Since organization, company's						7,364	8,913
						509,897	440,645
						Net (decr.) incr. in working capital ..	(\$9,403) \$68,359
						Restated for comparative purposes.	

Record of Earnings, year ended Dec. 31 (in thousands of dollars):

Year	Net Sales	Cost and Expenses	Balance	Oth. Inc. & Ded. (Net)	Inc. Bef. Taxes	Income Taxes	Net Income	Common Dividends	Com. Shs. Outstand.	Earn. Per Com. Sh.
1957	683,079	602,422	80,656	8,014	88,669	37,432	51,237	29,762	9,922,192	5.16
1958	635,532	570,492	65,039	cr2,812	62,228	28,002	34,226	29,776	9,929,119	3.45
1959	719,662	618,225	101,437	d1,559	99,878	49,837	50,041	31,311	19,906,318	2.51
1960	765,796	661,697	104,098	d610	103,488	52,202	51,286	35,889	19,976,839	2.57
1961	746,574	648,476	98,048	d1,472	96,576	49,371	47,206	36,039	20,076,023	2.35
1962	869,131	757,052	112,079	d5,052	107,027	49,049	57,978	46,544	26,466,991	2.19
1963	963,141	830,856	132,285	d4,175	128,109	55,872	72,237	47,654	26,076,062	2.77
1964	1,043,133	909,589	133,544	d404	133,139	52,129	81,010	47,346	26,296,636	3.08
1965	1,121,289	988,149	133,139	d2,117	131,023	46,676	84,347	50,686	26,833,672	3.14
1966	1,245,636	1,098,966	146,669	d7,521	139,149	49,935	89,215	51,791	27,490,269	3.25
1967	1,243,411	1,129,357	114,054	d9,273	104,781	34,983	69,798	52,937	27,974,781	2.50
1968	1,278,071	1,206,076	71,995	d16,107	55,888	15,048	40,840	48,372	28,054,053	1.46
1969	1,316,063	1,224,336	91,727	d2,561	89,166	20,573	68,593	33,526	27,744,706	2.47
1970	1,248,479	1,176,731	71,748	d14,709	57,039	13,766	43,273	33,206	27,554,899	2.17

Restated in 1975 to reflect adjustment for deferred taxes on intangible drilling costs on oil and gas properties.

Before extraordinary items. After, 1970, \$2.47.

BALANCE SHEETS

COMPARATIVE CONSOLIDATED BALANCE SHEET, AS OF DEC. 31

(Taken from reports to Securities and Exchange Commission) (in thousands of dollars)

	1976	1975	1974	1973	1972	1971	1970
Cash	\$22,262	\$26,858	\$17,293	\$20,033	\$29,856	\$22,062	\$35,296
Short term secur. & time deposits	33,701	59,121	55,497	105,604	74,034	63,188	
Accts. & notes receiv., net	339,838	296,991	269,838	274,337	281,990	246,836	246,131
Inventories	333,247	303,941	287,919	226,855	205,194	220,281	207,102
Other current assets	14,321	15,176	11,298	11,654	8,457	8,228	5,508
Total current assets	\$743,369	\$702,287	\$641,845	\$638,683	\$599,531	\$561,497	\$494,037
Marketable securities, cost	3,538	3,640	3,728	3,861	3,956	4,152	5,539
Investments & advances, cost	128,612	133,263	113,284	88,881	80,511	66,372	69,223
Property, plant & equipment cost	2,976,976	2,751,971	2,562,657	2,60,042	2,249,957	2,235,645	2,156,296
Less: Res. for depreciation, etc.	1,522,871	1,477,279	1,444,968	1,413,965	1,356,697	1,315,511	1,239,767
Net property account	1,454,105	1,274,692	1,117,689	946,077	893,260	920,134	916,529

BALANCE SHEETS (cont'd):

	1976	1975	1974	1973	1972	1971	1970
Patents, goodwill, etc.	52,991	52,991	52,991	85,034	84,053	59,764	60,950
Deferred charges	56,712	69,035	38,912			24,785	35,570
Total	\$2,439,327	\$2,235,908	\$1,968,449	\$1,762,536	\$1,661,311	\$1,636,704	\$1,581,848
LIABILITIES							
Accounts payable & accr. liab.	\$316,453	\$270,058	\$257,182	\$221,528	\$184,490	\$162,446	\$154,522
Notes payable	21,860	16,126	6,231	9,789	3,624	23,144	71,423
Taxes accrued	22,051	24,190	53,148	28,067	22,410	16,520	18,237
Interest accrued	11,309	10,814	7,818				
Long term debt due in one year			4,726				
Total current liabilities	\$371,673	\$321,188	\$329,105	\$259,384	\$210,524	\$202,110	\$244,182
Long-term debt	527,615	503,523	354,071	354,228	383,856	399,354	337,895
Res. for pensions & contingencies	71,109	48,787	61,887	74,086	84,900	94,150	103,353
Deferred income	37,721	26,994	27,894	18,985	19,086	19,412	2,580
Deferred income tax	206,694	176,842	136,664	112,322	96,180	84,760	78,088
Cap. lease obligations	110,227	113,720	84,123	74,406	55,140	56,183	58,129
Common stock (par \$9)	364,305	364,305	364,305	364,305	364,305	364,305	364,305
Retained earnings	769,796	703,345	637,439	535,666	481,010	450,183	427,121
Total stockholders' equity	1,134,101	1,067,650	1,001,744	899,971	845,315	814,488	791,426
Less: Treasury stock	19,813	22,796	27,039	30,846	33,690	33,753	33,805
Net stockholders' equity	1,114,288	1,044,854	974,705	869,125	811,625	780,735	757,621
Total	\$2,439,327	\$2,235,908	\$1,968,449	\$1,762,536	\$1,661,311	\$1,636,704	\$1,581,848
Net current assets	\$371,696	\$381,099	\$312,740	\$379,299	\$389,007	\$359,387	\$249,855
PROPERTY ACCOUNT—ANALYSIS							
Additions at cost	\$346,776	\$304,363	\$301,652	\$184,518	\$127,658	\$129,780	\$138,336
Retirements or sales	121,771	115,371	100,780	74,433	113,346	52,403	38,809
Other additions		322	6,641			1,972	876
DEPR. & DEPL. RES.—ANALYSIS							
Additions chgd. to income	\$136,146	\$128,596	\$115,450	\$108,943	\$117,431	\$119,202	\$119,645
Retire renewals chgd. to res.	90,554	96,285	86,132	35,011	59,298	33,815	27,330
Other additions			1,685			624	83
Other deductions				16,666	16,947	10,267	5,093
Market value: 1976, \$9,916,000.							
Represents property and accumulated depreciation acquired from Co.'s initially consolidated during the year.							
1976-70: Includes subsidiary and 50% owned companies: 1976, \$111,764,000; 1975, \$108,578,000; 1974, \$86,988,000; 1973, \$52,719,000; 1972, \$26,306,000; 1971, \$13,974,000; 1970, \$41,528,000.							
Result of companies consolidated initially during year.							
After reserves (1976, \$12,990,000).							
Inventories, at lower of cost or market are itemized as follows:							
	1976	1975					
Raw materials	\$74,547	\$72,082					
Work in process	23,512	24,944					
Finished products	140,943	119,754					
Supplies, etc.	94,245	87,161					
Total	\$333,247	\$303,941					
Included in notes payable (not shown separately).							
Common shares: 1976, 470,894; 1975, 565,147; 1974, 716,174; 1973, 829,511; 1972, 915,124; 1971, 917,732; 1970, 919,206.							
1976: Property, plant and equipment:							
	Cost	Reserves					
Land & land improv.	\$80,947,000	\$37,023,000					
Oil & gas prop. mines	339,576,000	127,567,000					
& quarries	300,850,000	184,015,000					
Buildings	32,122,000	18,225,000					
Office furniture	36,555,000	17,543,000					
Trans. equip.	1,949,190,000	1,113,203,000					
Mach. & equip.							

FINANCIAL AND OPERATING DATA

	1976	1975	1974	1973	1972	1971	1970
Statistical Record							
Earnings per share—common:							
On year end shares	\$4.51	\$4.16	\$5.20	\$3.26	\$2.30	\$1.91	\$1.57
On average shares	\$4.52	\$4.17	\$5.19	\$3.27	\$2.30	\$1.91	\$1.57
Dividends per share—common	\$1.80	\$1.80	\$1.53	\$1.29	\$1.20	\$1.20	\$1.20
Price Range—common	44 1/2-33 1/2	42-27	54 1/2-23	49-28 1/2	36 1/2-26 1/2	34 1/2-23 1/2	28-16 1/2
Net tangible assets per sh.—common	\$39.79	\$35.54	\$33.20	\$28.36	\$26.40	\$26.16	\$25.28
Fixed charges earned:							
Before income taxes	5.21	5.70	9.22	6.17	4.18	3.43	3.00
After income taxes	3.80	3.88	6.09	4.13	3.09	2.80	2.51
Price range—deb. 5.20s, 1991	81 1/2-73 1/2	74 1/2-67 1/2	77 1/2-65 1/2	80 1/2-73 1/2	82-78	82 1/2-73 1/2	77-66
deb. 6.60s, 1993	91-83 1/2	83 1/2-75 1/2	88 1/2-71 1/2	94 1/2-85	96-91	95-84	88 1/2-80
deb. 7 1/2s, 1996	101 1/2-84	92-81	99 1/2-82	105 1/2-95 1/2	105 1/2-102 1/2	104 1/2-102 1/2	81 1/2-72
deb. 4s, 1978		93-91	87-75 1/2	89 1/2-89	89 1/2-88 1/2	85-70	
deb. 9s, 2000	103 1/2-102	103 1/2-95					
8 1/2% notes, 1983	106 1/2-99	102 1/2-97 1/2		4.023	4.456	4.567	3.853
Net tang. assets per \$1,000 lg.-tm. debt	\$3,012	\$2,970	\$3,877	\$1,071	\$1,013	\$900	\$739
Net cur. assets per \$1,000 lg.-tm. debt	\$705	\$757	\$883	\$1,071	\$1,013	\$900	\$739
Number of shares—com. (year end)	28,003,211	27,908,958	27,757,931	27,644,594	27,558,981	27,556,373	27,554,899
com. (avg.)	27,969,121	27,894,552	27,799,317	27,572,959	27,558,267	27,555,906	
Financial and Operating Ratios							
Current assets + current liabilities	2.00	2.19	1.95	2.46	2.85	2.78	2.02
% cash and secur. to current assets	7.53	12.24	11.34	19.67	17.33	15.34	7.14
% inventory to current assets	44.83	43.28	44.86	35.52	34.23	39.23	41.92
% net current assets to net worth	33.36	36.47	32.09	43.64	47.93	46.03	32.98
% property depreciated	51.15	53.69	56.39	59.91	60.30	58.84	57.49
% annual depr. & depl. to gross prop.	4.57	4.67	4.51	4.62	5.22	5.33	5.55
Capitalization:							
% long-term debt	32.13	32.52	26.65	28.96	32.11	33.84	30.84
% com. stk. surp. & surp. res.	67.87	67.48	73.35	71.04	67.89	66.16	69.16
Sales + inventory	7.89	7.68	7.70	7.34	7.31	6.02	6.03
Sales + receivables	7.74	7.86	8.21	6.06	5.32	5.37	5.07
% sales to net property	180.84	183.03	198.26	175.94	168.03	144.10	136.21
% sales to total assets	107.80	104.35	112.57	94.44	90.35	81.01	78.91
% net income to total assets	4.79	5.20	7.33	5.12	3.81	3.21	2.74
% net income to net worth	11.34	11.12	14.81	10.38	7.80	6.73	5.71
Analysis of Operations							
Total gross sales and revenues	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales and operating expenses	79.16	77.89	76.62	75.41	75.66	74.23	73.94
Depreciation & depletion	5.18	5.51	5.21	6.55	7.82	8.99	9.58
Selling, general and other expenses	6.84	7.02	6.86	8.34	8.97	10.18	10.73
Gross operating income	8.82	9.58	11.31	9.71	7.55	6.60	5.75
Dividends and other income	0.10	0.27	0.48	1.36	0.88	0.94	1.10
Total income	8.92	9.85	11.79	11.07	8.43	7.54	6.85

amortized using unit of production rates for mines and quarries. For financial statement purposes depreciation is computed principally on sum-of-the-years-digits method for assets acquired prior to Jan. 1, 1970, and on straight-line method for assets subsequently acquired. For tax purposes depreciation is computed by accelerated methods based on allowable useful lives.

(d) Maintenance and Repairs are charged to income and renewals and betterments are capitalized. On normal retirement or replacement, cost of property (less salvage) is charged to accumulated depreciation. Gains or losses arising from other retirements or sales are included in income currently.

(e) Oil and Gas Property Investments are grouped by individual areas and are valued at lower of amortized cost or estimated realizable value of underlying proved oil and gas reserves. Lease acquisition costs and other unproved acreage costs are capitalized by individual area and amortized during exploration to the extent that these costs, based on past experience, are likely to relate to unproductive acreage. Other exploration costs, including dry holes, are expensed. Amortization of productive well intangible drilling and development costs, lease costs, tangible well equipment and related producing facilities, including certain machinery and equipment, and producing leaseholds is computed by unit of production rates.

General Notes

(a) Consolidated financial statements include accounts of all wholly-owned subsidiaries which are considered significant. Minor subsidiaries, principally in foreign countries, are carried as investments.

(b) Inventories are valued at lower of cost or market using last-in, first-out method (LIFO) for substantially all qualifying domestic inventories and the average cost method for other inventories.

(c) Property, Plant and Equipment, other than oil and gas properties, are carried at cost and are depreciated on a composite basis for asset groups using estimated service lives or

FINANCIAL AND OPERATING DATA (cont'd):

	1976	1975	1974	1973	1972	1971	1970
Interest charges	1.71	1.73	1.28	2.13	2.02	2.20	2.28
Income taxes	2.41	3.15	4.00	3.52	2.19	1.38	1.10
Extraordinary items	0.36				cr0.04	cr0.27	cr2.02
Net income	4.44	4.97	6.51	5.42	4.26	4.23	5.49

(1) Before extraordinary items; after: 1976, \$4.17; 1972, \$2.40; 1971, \$2.01; 1970, \$2.47. (2) As reported by Company; before extraordinary items; after: 1976, \$4.18; 1972, \$2.40; 1971, \$2.01; 1970, \$2.47. (3) Restated. See footnote (3) under balance sheets. (4) Net worth includes reserve for increased cost replacement (surplus reserve).

LONG TERM DEBT

1. Allied Chemical Corp. debenture 5.20s, due 1991:

Rating—A
AUTHORIZED—\$150,000,000; outstanding, Dec. 31, 1976, \$119,647,000.
DATED—Apr. 1, 1966.
DUE—Nov. 1, 1991.
INTEREST—M&N to holders registered Apr. 15 or Oct. 15 preceding interest date.
TRUSTEE—Chase Manhattan Bank (N.A.), NYC.
DENOMINATION—Fully registered.
CALLABLE—As a whole or in part after Oct. 31, 1971 on at least 30 days' notice to each Nov. 1, incl., as follows:

1975 103.60 1976 103.30 1977 103.00

1978 102.70 1979 102.40 1980 102.10
 1981 101.80 1982 101.50 1983 101.25
 1984 101.00 1985 100.75 1986 100.50
 1987 100.25 1991 100.00

Also callable for sinking fund at par.
SINKING FUND—Annually, each Nov. 1, 1972-90, to redeem at par, cash (or debts.) as follows: 1972-76, \$5,250,000; 1977-81, \$6,000,000; 1982-86, \$6,750,000; 1987-90, \$7,500,000, plus similar optional payments.
CREATION OF ADDITIONAL DEBT—Co. may not create additional funded debt unless net tangible assets and capitalized rents of Co. and restricted subsidiaries are more than 200% of funded debt and capitalized rents of Co. and restricted subsidiaries.

SECURITY—Not secured. Co. and subsidiaries may not create any mortgage on property unless debts. are equally secured, except in case of (A) purchase money mortgages on property acquired up to 75% of cost thereof; (b) any mortgage or lien on (1) property of subsidiary which consists of structures constructed after Mar. 31, 1966; (2) real estate but not in excess of 75% of cost; (c) any mortgage on subsidiary already in existence; (d) other existing mortgages.

SECURITY—Not secured by mortgage, pledge or other lien. Company and any subsidiary will not mortgage property unless debts. are equally and ratably secured therewith, except for (1) purchase money or existing mortgages up to 66 2/3% of lower of cost or fair value of property, as provided and (2) other permitted liens. If on any consolidation or sale of substantially all properties, any property would become subject to mortgage, debentures will be secured by direct prior lien thereon except for any existing lien.

RIGHTS ON DEFAULT—In event of default (30 day grace period for payment of interest or fixed sinking fund), trustee or holders of 25% of debentures may declare debentures due and payable.

INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of holders of 66 2/3% of debentures.

INDENTURE AMENDMENTS—Amendments in supplemental indenture dated Feb. 1, 1963 includes (i) allow foreign subsidiaries to operate free from provisions relating to mortgaging property, incurring and guaranteeing debt, issuing additional shares of stock, selling assets and effecting mergers, (ii) allow newly acquired domestic subsidiaries to retain certain debt and mortgages existing at time of acquisition, (iii) allow domestic subsidiaries to create and refund certain construction mortgages and (vi) include a specific provision covering creation and assumption of certain liens in connection with oil and gas production.

PURPOSE—Proceeds for general purposes.
LISTED—On New York Stock Exchange.
OFFERED—(\$150,000,000) at 100 (proceeds to Co. 99 1/4) on Apr. 14, 1966 thru Lazard Freres & Co., Lehman Brothers, and Carl M. Loeb, Rhoades & Co., NYC, and associates.

2. Allied Chemical Corp. debenture 5.60s, due 1993:

Rating—A
AUTH.—\$100,000,000; outstg. Dec. 31, 1976, \$85,366,000.
DATED—Apr. 15, 1968. **DUE**—Aug. 1, 1993.
INTEREST—F&A1 to holders registered on 15th day prior to interest payment date.
TRUSTEE—Citibank, N.A., NYC.
DENOMINATION—Fully registered.
CALLABLE—As a whole or in part on at least 30 days' notice to each July 31, incl., as follows:

1977 103.96 1978 103.63 1979 103.30

1980 102.97 1981 102.64 1982 102.31

1983 101.98 1984 101.65 1985 101.32

1986 100.99 1987 100.66 1988 100.33

1993 100.00

Not callable however, prior to Aug. 1, 1978 from moneys borrowed at an interest cost less than 6.60%.

SINKING FUND—Annually, on or before each Aug. 1, 1975-92, to retire debts, cash (or

debts.), equal to \$5,000,000; plus similar optional payments.

SECURITY—Not secured. Co. and subsidiaries may not create any mortgage on property unless debts. are equally secured, except in case of (a) purchase money mortgages on property acquired up to 75% of cost thereof; (b) any mortgage or lien on (1) property of subsidiary which consists of structures constructed after Apr. 14, 1968; (2) real estate but not in excess of 75% of cost; (c) any mortgage on subsidiary already in existence; (d) other existing mortgages.

ADDITIONAL DEBT—Co. or any restricted subsidiary may not incur or assume additional funded debt unless thereafter net tangible assets plus capitalized rents of Co. and its restricted subsidiaries are at least 200% of funded debt plus capitalized rents of Co. and its restricted subsidiaries.

SALE AND LEASEBACK—Co. or any restricted subsidiary may not sell and leaseback property unless (a) net proceeds from sale are equal to fair value of property and (b) net proceeds from sale are applied to retirement of debts.

RIGHTS ON DEFAULT—INDENTURE MODIFICATION—Same as deb. 5.20s due 1991.

LISTED—On New York Stock Exchange.
PURPOSE—Proceeds to retire certain bank debt.

OFFERED—(\$100,000,000) at 100 (proceeds to Co. 99.125) on Apr. 17, 1968 thru Loeb, Rhoades & Co., Lazard Freres & Co. and Lehman Brothers and associates.

3. Allied Chemical Corp. debenture 7 1/8s, due 1996:

Rating—A
AUTHORIZED—\$100,000,000; outstanding, Dec. 31, 1976, \$96,887,000.
DATED—Sept. 1, 1971. **DUE**—Sept. 1, 1996.
INTEREST—M&S1 to holders registered F&A15.
TRUSTEE—Chase Manhattan Bank (N.A.), NYC.
DENOMINATION—Fully registered.
CALLABLE—As a whole or in part at any time on at least 30 days' notice to Aug. 31, as follows:

1975 106.045 1976 105.685 1977 105.325

1978 104.965 1979 104.605 1980 104.245

1981 103.885 1982 103.525 1983 103.165

1984 102.805 1985 102.445 1986 102.085

1987 101.725 1988 101.365 1989 101.005

1990 100.645 1991 100.285 1996 100.000

Not so callable, however, prior to Sept. 1, 1981 thru refunding at cost less than 7.94% per annum.

Also callable for sinking fund, (which see) at 100.

SINKING FUND—Annually on Sept. 1, 1977-95, cash (or debts.) to retire \$5,000,000 debts., plus similar optional payments. Sinking fund designed to retire 95% debts. prior to maturity.

SECURITY—Not secured. Co. and subsidiaries may not create any mortgage on property unless debts. are equally secured, except in case of (A) purchase money mortgages on property acquired up to 75% of cost thereof; (b) any mortgage or lien on (1) property of subsidiary which consists of structures constructed after Sept. 1, 1971; (2) real estate but not in excess of 75% of cost; (c) any mortgage on subsidiary already in existence; (d) other existing mortgages and (e) pledges or deposits to secure payment of insurance; deposits in connection with Govt. contracts; and any other liens of similar nature.

Co. may not create additional funded debt unless net tangible assets and capitalized rents of Co. and restricted subsidiaries are more than 200% of funded debt and capitalized rents of Co. and restricted subsidiaries.

If on any consolidation or sale of substantially all properties, any property would become subject to mortgage, debts. will be secured by direct prior lien thereon except for any existing lien.

Co. will not permit any restricted subsidiary at any time to (a) issue additional stock if subsidiary shall cease to be a subsidiary, (b) permit to exist debt or liabilities other than (i) liabilities incurred in ordinary course of business, otherwise than in borrowing operations, (ii) liabilities for declared but unpaid divs., (iii) debt to Co. or another restricted subsidiary, (iv) obligations permitted by mtgs., pledges or liens permitted above, except for section (c), or (v) outstg. debt at time such Co. becomes subsidiary not exceeding 75% fair value of total assets at such time (but subsidiary may have such debt in excess thereof at any time if aggregate debt of all restricted subsidiaries then having such debt in excess of 75% total assets shall not exceed \$25,000,000).

SALE AND LEASEBACK—Same as deb. 6.60s, due 1995.

RIGHTS ON DEFAULT & INDENTURE MODIFICATION—Same as deb. 5.20s, due 1991.

LISTED—On New York Stock Exchange.
PURPOSE—Proceeds for debt repayment and corporate purposes.

OFFERED—(\$100,000,000) at 99.25 plus accrued interest (proceeds to Co., 98.375) on Sept. 21, 1971 thru Lazard Freres & Co., Lehman Brothers, Inc., Loeb, Rhoades & Co. and associates.

4. Allied Chemical Corp. debenture 9s, due 2000:

Rating—A
AUTH.—\$75,000,000; Outstg., Dec. 31, 1976, \$75,000,000.
DATED—Mar. 1, 1975. **DUE**—Apr. 1, 2000.
INTEREST—A&O 1 to holders registered M&S 15, payable in NYC.
TRUSTEE—Citibank, N.A., NYC.
DENOMINATION—Fully registered.
CALLABLE—As a whole or in part at any time on at least 30 but not more than 60 days' notice to each Mar. 31, as follows:

1976 108.250 1977 107.838 1978 107.425

1979 107.013 1980 106.601 1981 106.188

1982 105.775 1983 105.361 1984 104.950

1985 104.538 1986 104.125 1987 103.713

1988 103.300 1989 102.887 1990 102.475

1991 102.063 1992 101.650 1993 101.238

1994 100.825 1995 100.412 1996 100.000

Not callable, however, prior to Apr. 1, 1985 thru moneys borrowed at an interest cost less than 9.07% per annum. Also callable for sinking fund (which see) at 100.

SINKING FUND—Annually, on or before Apr. 1, 1985-99, cash (or debts.) to retire \$4,600,000 principal amount of debts., plus similar optional payments. Sinking fund designed to retire 92% of issue prior to maturity.

SECURITY—Not secured. Co. nor any restricted subsidiary may create or assume any mortgage, pledge or lien upon any property which in the opinion of Co.'s directors, is a principal manufacturing property owned or acquired by it, unless the aggregate amount of debt so secured would not exceed 5% of net tangible assets of Co. and its restricted subsidiaries or unless the debts. are secured by such mortgage, pledge or lien equally and ratably with all other debt thereby secured, except for (a) the creation or assumption of any purchase money or existing mortgage, pledge or other lien in connection with property acquisitions, provided, that any such mortgage, pledge or other lien shall not exceed the cost of fair value, whichever is less, of the property covered thereby; (b) the creation of any mortgage, pledge or other lien on (i) any property of a restricted subsidiary which consists of structures or other improvements constructed by or for such subsidiary after Mar. 1, 1975, on any improved land not owned by Co. or a subsidiary on such date or on any unimproved land and (ii) the real estate on which such structures and improvements may be constructed, in connection with the construction of such structures and improvements, provided that any such mortgage, pledge or other lien shall not exceed the cost of such structures or improvements; (c) any mortgage, pledge or other lien on any property of a restricted subsidiary in existence at the time such subsidiary first became a subsidiary and securing indebtedness permitted as stated in clause (5) of paragraph (B) below; (d) any mortgage, pledge or other lien created or assumed in the ordinary course of the business of exploring for, developing or producing oil, gas and other minerals (otherwise than in connection with the borrowing of money) on any property or interest therein acquired or held for the purpose of exploring for, developing or producing oil, gas and other minerals, or production therefrom, or proceeds of such production, or material or equipment located on such property; (e) pledges or deposits to secure payment of insurance; deposits in connection with tenders, bids, contracts or leases; deposits to secure public or statutory obligations, to secure or in lieu of surety or appeal bonds, or to secure the payment of taxes; liens, pledges or deposits in connection with governmental contracts; and any other liens of a similar nature which do not in the opinion of Co.'s directors materially impair the use or value of the related property in the operation of the business of Co. or of any restricted subsidiary.

If upon any consolidation or merger of Co. with or into any other corporation, or upon any sale or conveyance of substantially all its properties, or upon the merger of any other corporation into Co., or upon any acquisition by Co. of all or any part of the property of another corporation, any property of Co. owned immediately prior thereto would thereupon become subject to any mortgage, lien, pledge, charge or encumbrance, Co., prior to such event, will secure the debts. (equally and

ratably with any other indebtedness of Co. then entitled thereto) by a lien on all such property of Co. prior to all mortgages, liens, charges and encumbrances other than any theretofore existing thereon.

Co. will not nor will it permit any restricted subsidiary to, sell or transfer any property which, in the opinion of Co.'s directors, is a principal manufacturing property, owned at Mar. 1, 1975, or any substantial portion thereof, to anyone other than a subsidiary (or to Co. in the case of restricted subsidiaries) with the intention of taking back a lease of such property, except a lease for a temporary period by the end of which it is intended that the use of such property by the lessee will be discontinued; provided that Co. or any restricted subsidiary may so sell any such property and lease it back if (a) the net proceeds of sale are at least equal to the fair value of such property and (b) Co. shall (unless an equivalent amount of debts, or notes are retired as provided in other indentures) apply the net proceeds of such sale to the redemption of debts, within 120 days after such sale (or if such sale shall take place prior to Apr. 1, 1985, then as soon as practicable after that date) at the optional redemption price, or at its option, for any part of such net proceeds, Co. may deliver to the trustee for cancellation debts, at such optional redemption price.

Co. will not permit any restricted subsidiary at any time (A) to issue any additional shs. of stock if, as a result thereof, such restricted subsidiary shall cease to be a subsidiary; (B) to incur, create, assume, guarantee or permit to exist, any indebtedness or liability other than (1) liabilities incurred in the ordinary course of its business, otherwise than in connection with the borrowing of money, (2) liabilities for dividends declared but unpaid, (3) indebtedness to Co. or to another restricted subsidiary, (4) obligations secured by mortgages, pledges or liens specifically permitted by Section 4.03 of the debenture indenture or (5) indebtedness outstanding at the time such restricted subsidiary first becomes a subsidiary not exceeding 75% of the fair value of its total assets at such time (but any such subsidiary may have such indebtedness in excess thereof at any time if the aggregate indebtedness of all restricted subsidiaries then having such indebtedness in excess of 75% of total assets shall not exceed \$25,000,000); or (C) to sell or otherwise dispose of its assets as an entirety or substantially as an entirety, or to consolidate with or merge into any other corporation, unless the corporation formed by or resulting from any such consolidation or merger or to which such assets shall have been sold or otherwise disposed of shall be Co. or a restricted subsidiary, except for cash or obligations equal to the fair value of the assets so sold or disposed of or owned by the restricted subsidiary so consolidated or merged, and unless such subsidiary shall first have sold or otherwise disposed of either to Co. or to one or more other restricted subsidiaries all shs. of stock of every other restricted subsidiary and all indebtedness of and claims against Co. and every other restricted subsidiary then owned by such subsidiary.

CREATION OF ADDITIONAL DEBT—Co. and its restricted subsidiaries will not incur or assume any additional senior funded indebtedness (except renewals, extensions or refundings), other than the debts, unless, after giving effect thereto and to the application of proceeds thereof, net tangible assets of Co. and its restricted subsidiaries shall be not less than 200% of senior funded indebtedness of Co. and its restricted subsidiaries.

RIGHTS ON DEFAULT—Trustee or 25% debts, outstg., may declare principal payable and due (30 days' grace for payment of interest).

INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of 66⅔% of debts, outstg.

LISTED—On New York Stock Exchange.

PURPOSE—Proceeds for general corporate purposes.

OFFERED—(\$75,000,000) at 99.250 (proceeds to Co., 98.375) on Mar. 13, 1975 thru Lehman Brothers, Inc., Loeb, Rhoades & Co. and Lazard Freres & Co. and associates.

5. Allied Chemical Corp. 5½% notes, due 1983;

Rating—A
AUTH.—\$75,000,000; outstg., Dec. 31, 1976, \$75,000,000.

DATED—Mar. 1, 1975. **DUE**—Apr. 1, 1983.

INTEREST—A&O 1 to holders registered M&S15, payable in NYC.

TRUSTEE—Citibank, N.A., NYC.

DENOMINATION—Fully registered.

CALLABLE—As a whole or in part at any time after Oct. 1, 1981 on at least 30 but not more than 60 days' notice at 100, plus accrued interest.

SINKING FUND—None.

SECURITY—OTHER PROVISIONS—

Same as debts, due 2000 (see above).

LISTED—On New York Stock Exchange.

PURPOSE—Proceeds for general corporate purposes.

OFFERED—(\$75,000,000) at 99.75 (proceeds to Co., 99.05) on Mar. 13, 1975 thru Lehman Brothers, Inc., Loeb, Rhoades & Co. and Lazard Freres & Co. and associates.

6. Union Sulphur & Oil Corp. sinking fund debenture 4s, due 1978;

Rating—A

AUTHORIZED—\$10,000,000; outstanding, Dec. 31, 1976, \$2,466,000.

ASSUMED—By Allied Chemical Corp.

DATED—Mar. 1, 1953.

MATURITY—Mar. 1, 1978.

INTEREST—M&S 1 in New York.

TRUSTEE—Chase Manhattan Bank, New York.

DENOMINATION—Coupon, \$1,000; registerable as to principal; fully registered, \$1,000 and authorized multiples. C&R and denominations interchangeable without limit and without cost.

CALLABLE—As a whole or in part on at least 30 days' notice at any time to the last day of each Feb., incl., as follows:

1977 100¼ 1978 100

Also callable on like notice for sinking fund (which see) on each Sept. 1, beginning 1956, at 100.

SINKING FUND—Annually Aug. 31, 1956-77 sufficient to redeem on following Sept. 1, \$300,000 debentures plus optional payment annually Aug. 31 sufficient to redeem not exceeding \$300,000 debentures. Optional payments may not be credited against subsequent fixed payments. Debentures may be tendered in lieu of cash.

SECURITY—Not secured by any lien. Company and domestic subsidiaries may not create any mortgage on property unless debentures are equally and ratably secured, except in case of (a) purchase money mortgages on property acquired up to 66⅔% of cost thereof; (b) mortgage of Runnels Gas Products Corp. (wholly owned subsidiary) securing 4% 4¼% notes due 1954; (c) renewals of mortgages or liens permitted under (a) and (b); (d) charges on production from oil and gas leases or from real property acquired for producing oil and gas, for payment of purchase price thereof or development cost; (e) existing mortgages and ship mortgages, as provided.

CREATION OF ADDITIONAL DEBT—Additional funded debt, except as permitted above, may not be created unless on consolidated basis (includes domestic subsidiaries only) net tangible assets are at least 200% of consolidated funded debt.

DIVIDEND RESTRICTION—Company will not pay cash dividends in excess of sum of 75% of net income of company and domestic subsidiaries after Dec. 31, 1952 plus \$1,250,000 and net cash proceeds of stock sold.

RIGHTS ON DEFAULT—In event of default (30 day grace period for payment of interest), majority of holders of debentures direct proceedings for enforcement of provisions thereof.

INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of holders of 66⅔% of debentures.

PURPOSE—Proceeds to repay bank loan of \$2,268,750, for acquisition of producing properties, for development and other purposes.

7. Installment Notes: Outstanding Dec. 31, 1976, \$23,546,000 at interest rates from 3.5% to 9.1%. No other details reported.

8. Pollution Control Revenue Bonds and Note Obligations: Outstanding Dec. 31, 1976, \$27,000,000 at interest rates from 5¼% to 8%. No other details reported.

9. Other Debt: Outstanding Dec. 31, 1976, \$28,000,000 5.3%-5¼% notes payable.

Revolving Credit Agreement: Under a new credit agreement with eight banks, company may borrow from time to time on 90-day revolving credit notes up to a maximum of \$250,000,000 at any one time outstanding. On Sept. 1, 1978, right of Co. to revolve notes terminates and Co. may convert to a term loan up to \$250,000,000, payable in 20 consecutive quarterly installments, beginning Dec. 1, 1978. Co. had not borrowed under the new credit agreement through Dec. 31, 1976.

Interest payable to each bank on the 90-day revolving credit notes is at the best available commercial rate of such bank in effect from time to time.

A commitment fee of ¼ of 1% per annum is payable on the average daily unused portion of each bank's commitment for the period Sept. 1, 1975, to Sept. 1, 1978, or termination date, if earlier.

Agreement specifies that Co. will not incur, assume or permit to remain outstanding, commercial paper or other short-term obligations in excess of the total unused commitments of this credit agreement and any other bank lines of credit or bank commitments.

A compensating cash balance of about 10% of each bank's commitment is generally maintained under an informal agreement with each bank. These balances are not legally restricted as to withdrawals.

Dividend Restrictions: At Dec. 31, 1976, under the most restrictive provision of the loan agreements and indentures, \$315,833,000 of earnings reinvested was not available for cash dividends.

CAPITAL STOCK

1. Allied Chemical Corp. common; par \$9:

AUTHORIZED—32,000,000 shares; issued and outstanding, Dec. 31, 1976, 28,003,211 shares; in treasury, 470,894 shares; reserved for options, 505,970 shares; par \$9.

No par shares split 4-for-1 in Aug. 1950; changed from no par to \$18 in Apr. 1956, share for share; from \$18 to \$9 Dec. 21, 1959 by 2-for-1 split.

Dividend Record (in \$)

1921	3.00	1922-26	4.00	1927-36	6.00
1937	7.50	1938	6.00	1939	9.00
1940-41	8.00	1942	7.00	1943-45	6.00
1946	8.00	1947-48	9.00	1949	10.00
1950	4.00				

(No par shares—after 4-for-1 split)

1950 2.00 1951-55 3.00 1956 0.75

(\$18 par shares)

1956 2.25 1957-58 3.00 1959 3.15

(\$9 par shares)

1960-64 1.80 1965-67 1.90 1968 1.725

1969-72 1.20 1973 1.29 1974 1.53

1975-76 1.80 1977 0.45

Also paid stock dividends: Jan. 3, 1930, Jan. 3, 1931 and Dec. 15, 1955, 5%; Dec. 14, 1956, 3%; Mar. 29, 1965, 2%; Mar. 29, 1966, 2%; Mar. 27, 1967, 2%.

3/20 Mar. 11.

DIVIDEND RESTRICTIONS—See under Long Term Debt, above.

PREEMPTIVE RIGHTS—Has preemptive rights.

TRANSFER AGENTS—Morgan Guaranty Trust Co., New York; Northern Trust Co., Chicago; Union Bank, Los Angeles, and National Trust Co. Ltd., Toronto, Ontario, Canada.

REGISTRARS—Morgan Guaranty Trust Co., New York; Northern Trust Co., Chicago; Union Bank, Los Angeles, and Montreal Trust Co., Toronto, Ontario, Canada.

LISTED—On NYSE (Symbol: ACD); also listed on Midwest, Pacific and Toronto Stock Exchanges; unlisted trading on Boston and Philadelphia Stock Exchanges.

Allied Chem. & Dye Corp. Debenture Retired: Entire issue 25-year deb. 3.50s, due Apr. 1, 1978, was retired at 100 for s.f. on Apr. 1, 1977 at Citibank, (N.A.), NYC.

HOUSE SPECIAL COMMITTEE ON THE
VALDEZ OIL SPILL SETTLEMENT CLAIM

REQUEST FOR ISSUE TO BE RESEARCHED

DATE 3/20/91
REPRESENTATIVE Finkelstein
REQUEST NUMBER 1

I WOULD LIKE THE FOLLOWING ISSUE(S) TO BE RESEARCHED ^{by}

Legal Affairs:

Avenues available to include
\$20 million payment for Kachemak
Bay inholdings as part of the
action we take on the settlement.

Copy to Committee Staff
Representative Max Gruenberg's office
Capital Room 216

HOUSE SPECIAL COMMITTEE ON THE
VALDEZ OIL SPILL SETTLEMENT CLAIM

REQUEST FOR ISSUE TO BE RESEARCHED

DATE 3-21

REPRESENTATIVE Brown

REQUEST NUMBER 1

I WOULD LIKE THE FOLLOWING ISSUE(S) TO BE RESEARCHED:

On what legal authority does the
administration continue to hold
confidential the natural resource
damage assessments and economic
analyses ~~of~~ of FWS?

Copy to Committee Staff
Representative Max Gruenberg's office
Capital Room 216

Find out when Publish in Fed register

Ramona → lawsuits against of the States How will they be funded?

How much to defend the state against claims
Navarre

Ramona → Constitution power of appropriation of state resources does agreement violate this

Navarre → Does keeping scientific data ^{confidential} conflict with State Law.

Effect this Settlement on Communities effected by the lawsuit

Ramona had Settlement \$ as present worth

Navarre approval of the legislature
Cook no obligation of parties to back out.

Hudsons Analysis of the legislatures other options

Gail Phillips Can Trustees act completely independently of State and Federal Government.

~~Barones~~ Barones & are these state assets
PRM under the settlement no.
Judicial review section

Navare Sec 11 Page 12 Ekan shall have no liability/
liability third party's?
Are we amending law

Uman How has the State spent on litigation

Tamourow

HOUSE SPECIAL COMMITTEE ON THE
VALDEZ OIL SPILL SETTLEMENT CLAIM

REQUEST FOR ISSUE TO BE RESEARCHED

DATE 4-3-91

REPRESENTATIVE Foster

REQUEST NUMBER xx

I WOULD LIKE THE FOLLOWING ISSUE(S) TO BE RESEARCHED:

Status of 470 fund Expenditures to date and proposed
in FY92 w/ regards to Exxon negotiated settlement.

- Will the state collect on these expenditures?
- Were the expenditures discussed in the negotiations?
- What will become of the 470 fund if the stated intent of the fund was to spend only reimbursable (defensible) amounts.

Copy to Committee Staff
Representative Max Gruenberg's office
Capital Room 216



Official Business

Alaska State Legislature

Andy
FJ I

LEGISLATIVE COUNCIL

P.O. Box V
State Capitol
Juneau, Alaska 99811

TO: All Legislators

FROM: Representative Cliff Davidson, Vice Chair 
Legislative Council

DATE: 22 March 1991

SUBJECT: Legislative Research Requests on the Exxon Valdez Settlement

The Legislature has only 42 days remaining in which to approve or reject the Exxon Valdez settlement. Given the complexity of the task, it is likely that we will be drawing heavily on the somewhat limited resources of the Legislative Research Agency.

It is also likely that legislators will be asking many similar questions of Legislative Research, but quite possibly slightly different questions that may require considerable unnecessary duplication of effort. Furthermore, there should be little need for most legislative requests to be kept confidential.

Therefore, I would like to request that, in the interests of using our resources in an efficient manner, all legislators waive the confidentiality, in advance, on Exxon Valdez settlement research requests if at all possible. This will allow the personnel at Legislative Research to work with individual offices to see that research requests are concise, accurate, non-duplicative and provide the answers we all need.

→ Before making a research request, it might also be helpful to contact one of the appropriate staff to the Special Committees on the Exxon Valdez Settlement. They should be able to help you formulate questions to get the information you need and to advise you if similar research is planned or underway.

If you have any questions about this issue, please contact Jay Nelson (3715) in my office. Your cooperation and assistance in this matter will be greatly appreciated.

SCOMM

76.13

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE BRUCKMAN

MAR 25 1991

NAME: SANDRA CLARK
TITLE:
ADDRESS: 6766 DOUBLE TREE COURT
CITY: ANCHORAGE
PHONE: 346-2800
ZIP: 99516
BILL NO:
SUBJECT: GREGG ERICKSON
MESSAGE: I CANNOT BELIEVE THAT GREGG ERICKSON HAS BEEN HIRED BY THE HOUSE
COMMITTEE EVALUATING THE EXXON SETTLEMENT. THIS RECENTLY FIRED INDIVIDUAL HAS NO
CREDIBILITY WHATSOEVER. HE CONSISTENTLY LIED HIS WAY THROUGH THE DAMAGE
ASSESSMENT PROGRAMS AND BROUGHT EXTREME EMBARRASSMENT TO THE STATE OF ALASKA.
MAX GRUENBERG SHOWS POOR COMMITTEE LEADERSHIP. /CMR

POMID: 03112535
DATE: 91/03/22
TIME: 11:25:35
LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES

BAKER	BARNES
BOYER	BROWN
CARNEY	CHOQUETTE
DAVIDSON	B.DAVIS
C.DAVIS	DONLEY
ELLIS	FINKELSTEIN
FOSTER	GONZALES
GRUENBERG	GRUSSENDORF
HANLEY	HUDSON
IVAN	JACKO
KOPONEN	KUBINA
LARSON	LEMAN
LINCOLN	MACKIE
MACLEAN	MARTIN
M.A.MILLER	M.W.MILLER
MOYER	NAVARRE
PARNELL	G.PHILLIPS
R.PHILLIPS	SHARP
TAYLOR	ULMER
ZAWACKI	

CMR
DIANE

Alaska State Legislature

House of Representatives



P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 465-3718

Official Business

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

M E M O R A N D U M

DATE: March 27, 1991

TO: Concerned Representatives

FROM: Representative Max F. Gruenberg, Jr. 

SUBJECT: Gregg Erickson

Thank you for your letter of support for Gregg Erickson. I am pleased to announce that he was hired as economist on March 21st. I am confident he will do an excellent job.

Andy Hemenway has been hired as attorney and Pat Williams as secretary.



Official Business

Alaska State Legislature

House

P.O. BOX V
State Capitol
Juneau, Alaska 99811

March 22, 1991

Representative Max Gruenberg
PO Box V
Juneau, Alaska 99811

Dear Max,

We encourage you to hire Gregg Erickson to assist the House Special Committee on the Exxon Valdez Oil Spill Claims Settlement in its deliberations. Mr. Erickson is available to work immediately, and is already an expert in the damages of the oil spill. For over a decade he has been a highly respected official in the Administration, was director of research for the Legislature, and has an extensive and distinguished background in economics.

Thank you for your consideration.

Sincerely,

Betty Davis

Cliff Anderson

Patty Long

Larry Brown

Alb E. Korman

Mike Harane

Mark Bayne

David Finkbe

Mark Allen

Ch. Ellis

C. Bruckman

Gene Kubera

Tom Meyer

*Office
See me*

ERICKSON & ASSOCIATES

An Economic Consulting Firm

With the departure of Gregg Erickson from government service, the economic consulting firm of Erickson & Associates has reopened in Juneau at 319 Seward Street, Suite #4. The firm has experience in the following areas:

- natural resources
- energy and power
- public finance
- taxation
- public utilities
- demographics

From 1979 to 1984 Erickson & Associates provided services to:

- attorneys
- public utilities
- state agencies
- local governments
- legislative committees
- lobbyists
- engineering firms

Since 1984 Gregg Erickson has been senior economist in the Office of the Governor, and a division director for Oil Spill Impact Assessment and Restoration at the Alaska Dept. of Fish and Game.

Phone:

(907) 780-4995 (home office-best number through 5/91)
(907) 586-1290 (downtown office-alternate number, best number after 5/91)

Mailing address:

Erickson & Associates
P.O. Box 21124
Juneau, AK 99802-1124

March 1991

CURRICULUM VITAE

GREGG K. ERICKSON

PERSONAL DATA

Date of Birth: 19 January 1941 (Minneapolis, Minnesota)

Business Address: Erickson & Associates
P.O. Box 21124
Juneau, Alaska 99802
Phone: (907) 586-1290

Residence: 4465 Mountainside Drive
Juneau, Alaska 99801
Phone: (907) 780-4995

Family: Married, four children (two at home)

EMPLOYMENT HISTORY

1991 Principal, Erickson & Associates, Consultants in Economics and Public Policy.

1989 - 1991 Director, Oil Spill Impact Assessment and Restoration Division, Alaska Department of Fish and Game.

1988 - 1990 Lecturer, University of Alaska, teaching graduate course: "Alaska Economic Development."

1984 - 1989 Senior economist, Office of the Governor.

1979 - 1984 Principal, Erickson & Associates, Consultants in Economics and Public Policy.

1979 - 1980 Lecturer, University of Alaska, teaching graduate course: "Economics and Public Policy."

1975 - 1979 Director of research, Alaska State Legislature, Juneau.

EMPLOYMENT HISTORY (Cont.)

1973 - 1975	Staff economist, <u>US Senate Committee on Interior and Insular Affairs</u> , Henry M. ("Scoop") Jackson, Chairman; concurrently, principal professional staff member, Special Subcommittee on Integrated Oil Operations).
1972 - 1973	Research associate, <u>Resources for the Future, Inc.</u> , Washington, DC, under contract to the Ford Foundation.
1971 - 1972	Staff director and economist, Joint Pipeline Impact Committee, <u>Alaska State Legislature</u> , Juneau.
1971	Staff economist, House Resources Committee, <u>Alaska State Legislature</u> , Juneau.
1970 - 1971	Economic consultant, <u>self employed</u> .
1968 - 1970	Resources economist, <u>Institute of Social, Economic and Government Research</u> , University of Alaska, Fairbanks.
1968	Economic consultant, <u>Federal Field Committee for Development Planning in Alaska</u> .
1966 - 1968	Research assistant, <u>Institute for Social, Economic and Government Research</u> , University of Alaska, Fairbanks.
1963 - 1966	During this period the following positions were successively held with the <u>Anchorage Natural Gas Corporation - Alaska Pipeline Company</u> - Draftsman-Surveyor; Cathodic Protection Technician; Field Engineer, Assistant to the Operations Manager; Distribution Supervisor (acting); Public Relations Coordinator; Assistant to the President.

EMPLOYMENT HISTORY (Cont.)

- | | |
|-------------|--|
| 1959 - 1963 | Carographic Technician (part time Sept. - May), <u>Wesleyan University</u> , Connecticut |
| 1959 - 1962 | Laborer (June - August), <u>Anchorage Natural Gas Corporation - Alaska Pipeline Company.</u> |

BOARDS AND COMMISSIONS

- | | |
|-------------|---|
| 1982 - 1985 | Board of Directors, <u>Juneau World Affairs Council</u> |
| 1982 - 1984 | Waterfront Advisory Committee, <u>City and Borough of Juneau</u> |
| 1982 - 1984 | Board of Directors, Juneau Group, <u>Sierra Club</u> |
| 1980 - 1983 | <u>Alaska Statehood Commission</u> |
| 1979 - 1981 | <u>Adjustment Commission</u> , City and Borough of Juneau (Three member Commission which set expenditure ceiling for local government in accordance with ordinance) -- Appointment by Borough Assembly. |
| 1979 - 1983 | Board of Directors, <u>Alaska Public Interest Research Group.</u> |
| 1979 - 1981 | Board of Directors, <u>Juneau Lyric Opera Society.</u> |
| 1978 - 1979 | <u>Alaska Council on Science and Technology.</u> |

EDUCATION

- | | |
|----------------|---|
| Graduate Study | |
| 1969 | University of Alaska, Seminar on "Cold Regions Engineering" |
| 1967 - 1968 | University of Alaska (economic theory and analysis) |

EDUCATION (Cont.)

Undergraduate Study

1966 - 1967	Univ. of Alaska (21 credits)
1964 - 1965	Alaska Methodist University (7 credits)
1959 - 1962	Wesleyan University, Connecticut (81 credits)

Secondary Education

1953 - 1959	Anchorage Public Schools
-------------	--------------------------

PROFESSION AFFILIATIONS

American Economic Association
Economic History Association
Society for Ecological Economics

PUBLICATIONS

BOOKS:

The Energy Industry - Organization and Public Policy (Editor);
pp. vii, 106. Washington: Government Printing Office, 1975.

Federal Charters for Energy Corporations - Selected Materials
(Editor) pp. viii, 143. Washington: Government Printing
Office, 1974

Alaska Pipeline Report (with V. Fischer, et al); pp. xi, 138. College:
University of Alaska 1971.

Mining and Public Policy in Alaska (co-author); pp. xi, 125. College:
University of Alaska 1969.

CONTRIBUTIONS (partial listing):

"Work Commitment Bidding in Mineral Resource Allocation", in
Mineral Leasing as an Instrument of Public Policy, edited by
Michael Crommelin and Andrew R. Thompson. Vancouver;
University of British Columbia Press, 1977 (originally
presented to the Conference on Mineral Policy,
British Columbia Institute for Economic Analysis, Victoria, BC
1974).

PUBLICATIONS (Cont.)

CONTRIBUTIONS (Cont.):

"Alaska's Petroleum Development Policy: A Crisis of Direction" in Change in Alaska, George Rogers, ed. Seattle: University of Washington Press, 1971 (originally presented to the 20th Alaska Science Conference, Fairbanks, Alaska).

"Alaska's Petroleum Leasing Policy," in Alaska Public Policy, Gordon Harrison, ed. College: University of Alaska, 1971. (Also appeared in Alaska Review of Business and Economic Conditions, VII, 3; July 1970.

"Banking in Alaska" in Alaska Survey and Report. Anchorage: Research Institute of Alaska, Inc., 1970.

Section on petroleum development in Alaska-Japan Trade Study. College: University of Alaska, 1968.

Chapter on "Northwest Alaska" in A Subregional Economic Analysis of Alaska, (with A.R. Tussing); Federal Field Committee, Anchorage, 1968.

ARTICLES AND RESEARCH PAPERS (partial listing):

"The Role of Economic Rent in Restructuring Soviet Society," invited paper presented at the Conference on the Social Collection of Rent in the Soviet Union, New York, August, 1990, (to be published in 1991 as part of the collected papers from the conference).

Editorial: "Just about everyone is exhausted...." *Alaska Fish and Game*, January-February 1990.

"Alaska's Economy at 30," *Alaska Airlines Magazine*, special section, pp. 11-15, October 1989.

"Changing the ELF [Oil Tax]: A Review of the 1989 Issues," Division of Policy, Office of the Governor, May 5, 1989

"The ELF [Oil Tax]: A Policy Perspective," Division of Policy, Office of the Governor, April 1988.