

Appendix K

Alaska Natural Gas Pipeline Corporation Legislation

24-GS2056\A

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SPECIAL SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced:

Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Alaska Natural Gas Pipeline Corporation to finance, own, and
2 manage the state's interest in the Alaska North Slope natural gas pipeline project and
3 relating to that corporation and to subsidiary entities of that corporation; relating to
4 owner entities of the Alaska North Slope natural gas pipeline project, including
5 provisions concerning Alaska North Slope natural gas pipeline project indemnities;
6 establishing the gas pipeline project cash reserves fund in the corporation and
7 establishing the Alaska natural gas pipeline construction loan fund in the Department of
8 Revenue; making conforming amendments; and providing for an effective date."

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

10 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
11 to read:

12 FINDINGS. The legislature finds that

-1-

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24-GS2056\A

1 (1) article VIII, sec. 1, of the Constitution of the State of Alaska, provides that
2 it is the policy of the state to encourage the development of its resources by making them
3 available for maximum use consistent with the public interest;

4 (2) article VIII, sec. 2, of the Constitution of the State of Alaska, requires the
5 legislature to provide for the utilization, development, and conservation of all natural
6 resources belonging to the state for the maximum benefit of its people;

7 (3) the production, transportation, and sale of oil and gas are important sources
8 of tax revenue for the state and for its municipalities;

9 (4) the production, transportation, and sale of oil and gas are significant
10 sources of job opportunities for the benefit of the people of the state;

11 (5) the production and sale of oil and gas from state leases are important
12 sources of state royalty revenue;

13 (6) substantial quantities of known reserves of natural gas are located on the
14 Alaska North Slope on state leases in which the state holds a significant royalty interest;

15 (7) those known reserves of natural gas on state leases have not been
16 commercialized due to uncertainties relating to the market price of natural gas and the cost of
17 constructing a pipeline system from the Alaska North Slope to markets in Canada and the
18 lower 48 states;

19 (8) the current and foreseeable market for natural gas and the economic
20 incentives and loan guarantees authorized by the United States Congress are expected to
21 improve the economics of a natural gas pipeline at this time and the economics will be further
22 enhanced if the state agrees to acquire and maintain an ownership interest in the Alaska North
23 Slope natural gas pipeline project as defined in AS 41.42.900, enacted by sec. 2 of this Act;

24 (9) it is in the best interest of the state to

25 (A) acquire an ownership interest in the Alaska North Slope natural
26 gas pipeline project in order to expedite development of the state's gas resources
27 located on state leases on the Alaska North Slope;

28 (B) participate in the financing of the Alaska North Slope natural gas
29 pipeline project in order to maximize the net benefits to the people of the state from
30 the sale of its royalty in-kind gas as well as from the value of any additional natural
31 gas that the state may take in-kind as payment of gas production tax due under

24-GS2056A

1 AS 43.55 in accordance with applicable law;

2 (C) participate in the construction of the Alaska North Slope natural
3 gas pipeline project since revenue from the project as well as the revenue earned from
4 marketing the natural gas taken in-kind by the state will be required to offset at least
5 partially the decline of state tax and royalty revenue from oil production in the state
6 that is projected to occur over the coming decades;

7 (10) the construction of the Alaska North Slope natural gas pipeline project
8 will promote the general welfare of the state by creating jobs and stimulating the local
9 economy;

10 (11) the Alaska North Slope natural gas pipeline project will provide an
11 opportunity for consumers and businesses within the state to access supplies of natural gas;

12 (12) the establishment of the Alaska Natural Gas Pipeline Corporation, a
13 public corporation, is essential to provide the state with an entity that can finance, acquire an
14 ownership interest in, and operate, or cause to be operated, the Alaska North Slope natural gas
15 pipeline project on behalf of the state and thus enable the state to fulfill its constitutional
16 obligation to develop the state's vast natural gas resources for the maximum benefit of its
17 people;

18 (13) the construction of the Alaska North Slope natural gas pipeline project
19 will spur exploration for new fields and development of known satellite fields;

20 (14) the state's participation as an owner of the Alaska North Slope natural gas
21 pipeline project will further the construction of the project and thereby assist gas producers in
22 the future in obtaining reasonable access to the project for transportation of natural gas as new
23 gas fields or units come into production, whether or not those producers own any part of the
24 project;

25 (15) the timely development of the state's natural gas resources is consistent
26 with the national interest in that it will enhance the supply of natural gas to the people of the
27 United States and lessen the nation's dependence on imported energy supplies;

28 (16) development of the state's natural gas resources through state
29 participation in the Alaska North Slope natural gas pipeline project will

30 (A) provide the people of the state the maximum public benefit
31 possible from development of the state's natural gas resources, as required by the

-3-

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24-GS2056\A

1 Constitution of the State of Alaska; and

2 (B) will foster and promote the long-term economic growth and
3 development of the state as well as facilitate the cost-effective transportation of natural
4 gas supplies for the people of the state.

5 * Sec. 2. AS 41 is amended by adding a new chapter to read:

6 **Chapter 42. Alaska Natural Gas Pipeline Corporation.**

7 **Article 1. Establishment and Administration.**

8 **Sec. 41.42.010. Establishment of the Alaska Natural Gas Pipeline**
9 **Corporation.** The Alaska Natural Gas Pipeline Corporation is established as a public
10 corporation and instrumentality of the state within the Department of Revenue, but has
11 a legal existence independent of and separate and apart from the state. The exercise by
12 the corporation of the powers conferred by this chapter is considered to be performed
13 on behalf of the state, and to be in furtherance of an essential governmental function of
14 the state. The net earnings of the corporation, in whole or in part, may not inure to the
15 benefit of, or be distributable to, a member of the board or officer of the corporation,
16 or a private person, except that the corporation is authorized to pay reasonable
17 compensation for services rendered for the corporation and to make payments and
18 distributions in furtherance of the purposes set out in AS 41.42.200.

19 **Sec. 41.42.015. Dissolution.** (a) The corporation may not be dissolved as long
20 as it has bonds, notes, or other financing or contractual obligations outstanding. The
21 board may dissolve the corporation by majority vote of its members. Dissolution is not
22 effective until the legislature acts by law to confirm the dissolution.

23 (b) A member of the board or officer of the corporation is not entitled to share
24 in the distribution of any of the corporate assets upon dissolution of the corporation or
25 the winding up of its affairs.

26 (c) Before the winding up and dissolution of the corporation, the assets of the
27 corporation remaining after payment of, or provision for payment of, all debts and
28 liabilities of the corporation, shall be distributed to the state.

29 **Sec. 41.42.020. Corporation governing body.** (a) The corporation shall be
30 governed by a board of directors consisting of

31 (1) the commissioner of revenue;

24-GS2056A

- 1 (2) the commissioner of transportation and public facilities;
- 2 (3) five public members appointed by the governor who
- 3 (A) do not hold any other state or federal office, position, or
- 4 employment, either elective or appointive, except as a member of the armed
- 5 forces of either the United States or this state; and
- 6 (B) have recognized competence and wide experience in one or
- 7 more of the following:
- 8 (i) finance, investments, or other business management
- 9 related fields;
- 10 (ii) the oil or gas industries.
- 11 (b) If a member described in (a)(1) or (2) of this section is unable to attend a
- 12 meeting of the board, the member may, by an instrument in writing filed with the
- 13 board, designate a deputy commissioner or assistant commissioner to act in the
- 14 member's place at the meeting. The designee appointed under this subsection is a
- 15 member of the board at the meeting designated in the instrument.
- 16 (c) A public member of the board is appointed for a six-year term, except that
- 17 the terms of the public members who are initially appointed shall be determined in
- 18 accordance with AS 39.05.055(3). The governor may reappoint a public member to
- 19 the board.
- 20 **Sec. 41.42.030. Quorum of board; chair; meetings.** (a) A majority of the
- 21 members constitute a quorum for organizing the board, conducting its business, and
- 22 exercising the powers of the corporation. The board shall elect a chair from among its
- 23 members at its annual meeting each year. The board shall meet not less than once
- 24 every three months.
- 25 (b) The board shall meet at the call of its chair.
- 26 (c) The board may meet and conduct business by teleconference. A meeting
- 27 conducted by the board by teleconference has the same legal effect as a meeting in
- 28 person.
- 29 (d) AS 44.62.310 - AS 44.62.312 do not apply to meetings of the corporation.
- 30 The board shall adopt a policy and procedures for conducting one or more of its
- 31 meetings in public each year.

24-GS2056\A

1 **Sec. 41.42.035. Minutes of meetings.** The board shall keep minutes of each
2 meeting and send a copy of the minutes to the governor and to the Legislative Budget
3 and Audit Committee after the minutes have been approved by the board. The minutes
4 shall be made available to the public provided, except any information that is
5 confidential under AS 41.42.520 shall be redacted from the minutes.

6 **Sec. 41.42.040. Compensation of board members; transportation and per**
7 **diem.** A public member of the board is entitled to receive an honorarium of \$400 for
8 each day or portion of a day spent at a meeting of the board, a meeting of a
9 subcommittee of the board, and a public meeting or hearing before the legislature or
10 other governmental body when serving as a representative of the board. Members of
11 the board are entitled to a transportation and per diem allowance as provided for
12 members of state boards and commissions under AS 39.20.180. The board shall, in its
13 bylaws or other governing document, adopt policies and procedures to ensure that
14 compensation or other economic benefit is not paid to a member of the board or other
15 person if the value of the compensation or other economic benefit paid by the board
16 would exceed the value of the consideration provided to the corporation. The board's
17 policies and procedures must be sufficiently detailed to ensure that proposed
18 compensation or other economic benefit arrangements are reasonable, and must
19 provide that the board may not approve compensation or other economic benefit
20 arrangements if a board member who has an economic interest in the matter
21 participates in making the determination.

22 **Sec. 41.42.045. Removal and vacancies.** (a) A public member of the board
23 may only be removed by the governor for cause. The governor shall provide written
24 notice of the removal to the member. After receiving written notice of removal, a
25 member may not

- 26 (1) participate in board business;
27 (2) be counted towards establishment of a quorum; or
28 (3) receive payments otherwise authorized under AS 41.42.040.

29 (b) The governor shall promptly make an appointment to fill a vacancy on the
30 board. An appointee under this subsection holds the office for the balance of the term
31 for which the appointee's predecessor on the board was appointed.

-6-

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1 (c) A vacancy on the board does not impair the authority of a quorum of the
2 board to exercise all the powers and perform all the duties of the board.

3 **Sec. 41.42.050. Administration; delegation.** The board shall manage the
4 assets and business of the corporation and may adopt, amend, and repeal bylaws, other
5 governing documents, policies, or procedures governing the manner in which the
6 business of the corporation is conducted and the manner in which its powers are
7 exercised. The board shall delegate supervision of the administration of the
8 corporation to the executive director. The board may delegate to its executive director,
9 officers, and agents of the corporation such powers and duties as it considers
10 necessary or desirable.

11 **Sec. 41.42.060. Corporation executive director and staff; compensation.** (a)
12 The board shall employ an executive director. The executive director serves at the
13 pleasure of the board and may be removed by the board without notice, and without
14 cause, at any time. The executive director may, with the approval of the board, select
15 and employ additional staff as necessary. The staff serve at the pleasure of the
16 executive director and may be removed by the executive director without notice, and
17 without cause, at any time. The executive director and the staff of the corporation, may
18 not be members of the board. The executive director and other staff of the corporation
19 are in the exempt service under AS 39.25.110.

20 (b) The board shall determine the compensation of the executive director. The
21 board shall, in its bylaws or other governing document, adopt policies and procedures
22 to ensure that compensation or other economic benefit is not paid to the executive
23 director or other employee, if the value of the compensation or other economic benefit
24 paid by the board would exceed the value of the consideration provided to the
25 corporation. The board's policies and procedures must be sufficiently detailed to
26 ensure that the proposed compensation is reasonable.

27 **Sec. 41.42.070. Legal advisor.** The attorney general is the legal counsel for the
28 corporation. The attorney general shall advise the corporation in legal matters and
29 represent it in legal actions.

30 **Sec. 41.42.080. Conflicts of interest.** (a) Members of the board and the
31 executive director of the corporation are subject to the provisions of AS 39.50,

24-GS2056\A

governing financial disclosure for public officials.

(b) If a member of the board or the executive director or staff of the corporation acquires, owns, or controls an interest, direct or indirect, in an entity with an interest in or doing business with the Alaska North Slope natural gas pipeline project or an owner entity of the project, the member or executive director or staff shall immediately disclose the interest in writing to the board. A disclosure made under this subsection is a matter of public record and must be included in the minutes of the first meeting of the board following the disclosure. The board shall, in its bylaws or other governing document, adopt conflict of interest policy and procedures.

Article 2. Purposes and Powers.

Sec. 41.42.200. Purposes of the corporation. The purposes of the corporation are to provide an instrumentality to finance and obtain an ownership interest in the Alaska North Slope natural gas pipeline project, to facilitate the timely development of the state's natural gas reserves located on the Alaska North Slope on behalf of the state, and thereby to promote and advance the general prosperity and economic welfare of the people of the state.

Sec. 41.42.210. Powers of the corporation. In furtherance of its corporate purposes, the corporation has the following powers in addition to its other powers granted in this chapter:

- (1) to sue and be sued;
- (2) to have a seal and alter it;
- (3) to make, alter, and repeal bylaws and other governing documents for its organization and internal management;
- (4) to adopt policies and procedures governing the exercise of its corporate powers;
- (5) to finance, acquire, and manage an ownership interest in the project or any portion of the project;
- (6) to operate the project or any portion of the project;
- (7) to issue bonds or incur other financing obligations to carry out any of its corporate purposes and powers, including the establishment or increase of reserves to secure or to pay the bonds or other financing obligations or interest on

24-GS2056A

1 them, and the payment of all other costs or expenses of the corporation incident to and
2 necessary or convenient to carry out its corporate purposes and powers;

3 (8) to sell, lease as lessor or lessee, exchange, donate, convey, or
4 encumber in any manner by mortgage, by creation of any other security interest or
5 otherwise, real or personal property owned by it, or in which it has an interest,
6 including any ownership interest in the project or in a subsidiary entity, when, in the
7 judgment of the corporation, the action is in furtherance of its corporate purposes;

8 (9) subject to the laws of the United States or a foreign country, to
9 enter into contracts with the United States or any foreign country, or any agency,
10 political subdivision or instrumentality of the United States or a foreign country or any
11 person, for the construction, financing, operation, and maintenance of all or any part of
12 the project;

13 (10) to apply for a permit, license, or approval that may be necessary
14 to construct, maintain, own, or operate the project, including, without limitation, a
15 right-of-way permit anywhere in the United States or Canada;

16 (11) to enter into, and perform its obligations under, contracts or
17 agreements, and do all things necessary or convenient to carry out its corporate
18 purposes and exercise its powers including contracts or agreements to own, construct,
19 manage, or operate the project;

20 (12) to establish and maintain a line of credit with any lender and to
21 pledge the assets and revenue of the corporation in support of that obligation, subject
22 to covenants securing financing obligations of the corporation;

23 (13) to borrow money from the Alaska natural gas pipeline
24 construction loan fund (AS 37.10.500), or from any other source;

25 (14) to maintain an office at any place in the United States or Canada
26 necessary to conduct the business and affairs of the corporation;

27 (15) to acquire, hold, use, mortgage, encumber, or otherwise dispose of
28 income, revenue, money, memberships, contracts, bonds, or other real or personal
29 property of, or interests in, a corporation or other legal entity;

30 (16) to enter into and perform its obligations under and in connection
31 with contracts or other transactions with, any national, state, foreign, or municipal

24-GS2056\A

1 government, or an agency or instrumentality of any such government, or with any
2 private organization or other entity or person including agreements with

3 (A) the United States Department of Energy or any other
4 agency of the United States to provide for a federal guarantee of any bonds
5 issued, or debt otherwise incurred, by the corporation, or by any owner entity
6 of the project;

7 (B) any person that loans or contributes money, or provides
8 other financial support, by means of guaranties or otherwise, in respect of the
9 project;

10 (C) an owner entity of the project, or with the members,
11 shareholders, or partners of such entities; or

12 (D) any person or entity to establish a corporation, limited
13 liability company, partnership or other entity that will be an owner entity of the
14 project or to facilitate the financing of the project on behalf of either the
15 corporation or an owner entity of the project;

16 (17) to deposit or invest its money subject to covenants securing bonds
17 or other financing obligations of the corporation or other agreements with lenders and
18 other parties;

19 (18) to purchase insurance to protect

20 (A) its assets, services, directors, executive director, and
21 employees from liabilities that may arise from operations and activities of the
22 corporation; and

23 (B) the assets, services, directors, officers, and employees of an
24 owner entity of the project from liabilities that may arise from operations and
25 activities of the project;

26 (19) to enter into indemnification agreements necessary for, or related
27 to, acquisition of an ownership interest in the project;

28 (20) to enter into confidentiality agreements necessary for, or related
29 to, acquisition of an ownership interest in the project;

30 (21) to accept gifts, grants, or loans from any private organization,
31 national, state, foreign, or municipal government, or any agency or instrumentality of

-10-

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24-GS2056A

1 any such government, or any other entity or person;

2 (22) except for a statutory change made by initiative or in response to a
3 final nonappealable court order, to agree that as part of an agreement to form an owner
4 entity of the project that its voting rights and its access to confidential information
5 otherwise provided for under the terms of the agreement may be restricted if this
6 chapter is amended or another statute is enacted, and that law has a material adverse
7 effect on the corporation's ability to perform its obligations under such an agreement;
8 however, the corporation may not agree to any terms that attempt to limit the
9 legislature's authority to exercise police powers of the state;

10 (23) in furtherance of the satisfaction of its obligations, including
11 without limitation, its project costs and financing obligations, to instruct any person
12 making a payment or distribution to the corporation to make or deposit the payment or
13 distribution directly to any person specified by the corporation;

14 (24) to act in any manner, or perform any function, necessary or
15 incidental, to effectuate other powers enumerated in or necessarily implied by this
16 chapter.

17 **Sec. 41.42.220. Creation of subsidiary entities.** (a) The board may establish
18 wholly owned subsidiary entities of the corporation for the purpose of owning,
19 financing, or operating any portion of the project if the board finds that the
20 establishment of such a subsidiary entity is necessary to carry out the purposes of the
21 corporation. A subsidiary entity may be established and organized in accordance with
22 the laws of any state of the United States or Canada or any province or territory of
23 Canada in a manner that is consistent with the purposes of this chapter.

24 (b) The board may transfer assets of the corporation to a subsidiary entity
25 organized under this section and may grant to a subsidiary entity some or all of the
26 powers enumerated in AS 41.42.210. A wholly owned subsidiary entity has all of the
27 powers that the board grants to it, including the power to borrow money and issue
28 bonds or incur other financial obligations as evidence of that borrowing. Unless
29 otherwise provided by the board, the debts, liabilities, and obligations of a subsidiary
30 entity organized under this section are not the debts, liabilities, or obligations of the
31 corporation or the state, notwithstanding that the financial affairs of any subsidiary

24-GS2056\A

entity established under this section are controlled by the board.

(c) The members of the governing body of a subsidiary entity organized under this section are selected by the board with the consent of the governor. The members of the governing body of a subsidiary entity serve at the pleasure of the board.

(d) The provisions of AS 41.42.400 - 41.42.530 apply to a subsidiary entity established under this section as if the subsidiary entity was a corporation established under this chapter.

Article 3. Financial Provisions.

Sec. 41.42.300. Bonds and financing obligations of the corporation. (a) The corporation may borrow money and may issue bonds or incur other financing obligations, payable from one or more special funds the corporation establishes, including bonds or other financing obligations on which the principal and interest are payable (1) exclusively from the income and receipts, or other money, derived from the project financed or in which investments are made with the proceeds of the bonds or other financing obligations; (2) exclusively from the income and receipts, or other money, derived from designated portions of the project whether or not the portions of the project are financed in whole or in part with the proceeds of the bonds or other financing obligations; (3) from the corporation's income and receipts, or other assets generally, or a designated part or parts of them; or (4) from one or more revenue-producing contracts, including a contract providing for the security of the bonds made by the corporation with any person. The corporation may issue bonds or incur other financing obligations to pay, finance, or refund the principal of, or interest or redemption premiums on, bonds or financing obligations issued by it, whether or not the bonds or other financing obligations or interest to be financed or refunded have become due.

(b) Bonds or other financing obligations must be authorized by resolution of the corporation, shall be dated and shall mature as the resolution may provide. Bonds and, to the extent applicable, other financing obligations, of the corporation may be issued in one or more series and must be dated, bear interest at one or more rates per year or be in the denomination, either coupon or registered, carry the conversion or registration provisions, have the rank or priority, be executed in the manner and form,

24-GS2056A

1 be payable at the times, from the sources, and in the medium of payment and one or
2 more places inside or outside the state, be subject to authentication by a trustee or
3 fiscal agent, and be subject to the terms of redemption with or without premium, as the
4 resolution of the corporation provides. Before the preparation of definitive bonds, the
5 corporation may issue interim receipts or temporary bonds or bond anticipation notes,
6 with or without coupons, exchangeable for bonds when executed and available for
7 delivery.

8 (c) Bonds regardless of form or character are negotiable instruments for all the
9 purposes of AS 45.01 - AS 45.08, AS 45.12, AS 45.14, and AS 45.29.

10 (d) Bonds and, to the extent applicable, other financing obligations may be
11 sold at public or private sale in the manner, for one or more prices, and at the times the
12 corporation determines.

13 (e) If the executive director or member of the board whose signature or a
14 facsimile of whose signature appears on a financing obligation ceases to be the
15 executive director or a member of the board before the delivery of the financing
16 obligation, the signature or facsimile is valid to the same extent as if the executive
17 director or member of the board had remained in office until delivery.

18 (f) In addition to other security provided in this chapter or otherwise by law,
19 bonds issued by or other financing obligations incurred by the corporation may be
20 secured, in whole or in part, by financial guaranties, by insurance or by letters of credit
21 issued to the corporation or a trustee or any other person, by any bank, trust company,
22 insurance or surety company, or other financial institution, inside or outside the state.
23 The corporation may pledge or assign, in whole or in part, the revenue, money, and
24 assets held or to be received by the corporation, any present or future contract or other
25 rights to receive the same, and the proceeds from them, as security for such guaranties
26 or insurance or for the reimbursement by the corporation to an issuer of such a letter of
27 credit of any payments made under the letter of credit.

28 **Sec. 41.42.310. Trust indentures and trust agreements.** In the discretion of
29 the corporation, an issue of bonds or incurrence of other financing obligations may be
30 secured by a trust indenture or trust agreement between the corporation and a
31 corporate trustee, which may be a trust company, bank, or national banking

-13-

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24-GS2056\A

1 association, with corporate trust powers, located inside or outside the state, or by a
2 secured loan agreement or other instrument or under a resolution giving powers to a
3 corporate trustee by means of which the corporation may

4 (1) make and enter into any and all of the covenants and agreements
5 with the trustee or the holders of the bonds or other financing obligations that the
6 corporation determines to be necessary or desirable, including, without limitation,
7 covenants, provisions, limitations, and agreements as to the

8 (A) application, investment, deposit, use, and disposition of the
9 proceeds of bonds of the corporation, or of money or other property of the
10 corporation or in which it has an interest;

11 (B) fixing and collection of rentals, charges, fees, or other
12 consideration for, and the other terms to be incorporated in, contracts with
13 respect to the project;

14 (C) assignment by the corporation of its rights in contracts with
15 respect to the project or in a mortgage or other security interest created with
16 respect to the project to a trustee for the benefit of bond owners or holders of
17 financing obligations;

18 (D) terms and conditions upon which additional financing
19 obligations of the corporation may be issued or incurred;

20 (E) vesting in a trustee of rights, powers, duties, money, or
21 property in trust for the benefit of holders of financing obligations, including,
22 without limitation, the right to enforce payment, performance, and all other
23 rights of the corporation or of the holders of financing obligations, under a
24 lease, power of contract, sale, mortgage, security agreement, or trust agreement
25 with respect to the project by injunction or other proceeding or by taking
26 possession of by agent or otherwise and operating the project and collecting
27 rents or other consideration and applying the same in accordance with the trust
28 agreement;

29 (2) pledge, mortgage, or assign money, leases, agreements, property,
30 or other rights or assets of the corporation either presently in hand or to be received in
31 the future, or both; and

24-GS2056A

(3) provide for any other matters of like or different character that in any way affect the security or protection of the financing obligations.

Sec. 41.42.320. Capital reserves and discretionary replenishment. (a) For the purpose of securing any one or more issues of its bonds or for the purpose of securing other financing obligations, the corporation may establish one or more capital reserve funds and shall pay into those funds the proceeds of the sale of its bonds or proceeds of other financing obligations and any other money that may be made available to the corporation for the purposes of those funds from any other source. Capital reserve funds may be established only if the corporation determines that the establishment would enhance the marketability of the bonds or other financing obligations. All money held in a capital reserve fund, except as provided in this section, shall be used as required, solely for (1) the payment of the principal of, and interest on, bonds or other financing obligations or of the sinking fund payments with respect to those bonds or other financing obligations; (2) the purchase or redemption of bonds or other financing obligations; or (3) the payment of a redemption premium required to be paid when those bonds or other financing obligations are redeemed before maturity. However, money in a capital reserve fund may not be withdrawn from the capital reserve fund at any time in an amount that would reduce the amount of that fund to less than the capital reserve fund requirement under (b) of this section, except for the purpose of making, with respect to those bonds or other financing obligations, payment, when due, of principal, interest, redemption premiums, and the sinking fund payments for the payment of which other money of the corporation is not available. Income or interest earned by, or incremental to, a capital reserve fund, due to the investment of the fund or any other amounts in it, may be transferred by the corporation to other funds or accounts of the corporation to the extent that the transfer does not reduce the amount of the capital reserve fund below the capital reserve fund requirement.

(b) If the corporation decides to issue bonds or incur other financing obligations secured by a capital reserve fund, the bonds may not be issued nor may the financing obligations be incurred if the amount in the capital reserve fund is less than the amount established by resolution of the corporation, unless the corporation, at the

24-GS2056\A

1 time of issuance of the bonds or incurrence of other financing obligations, deposits in
2 the capital reserve fund from the proceeds of the bonds to be issued or the financing
3 obligations to be incurred, or from other sources, an amount that, together with the
4 amount then in the capital reserve fund, is not less than the capital reserve fund
5 requirement of this subsection.

6 (c) In computing the amount in a capital reserve fund for the purpose of this
7 section, securities in which all or a portion of the fund is invested are valued by some
8 reasonable method established by the corporation by resolution. Valuation on a
9 particular date includes the amount of any interest earned or accrued to that date.

10 (d) The chair of the board shall annually, no later than January 2, make and
11 deliver to the governor and the legislature a certificate stating the sum, if any, required
12 to restore any capital reserve fund to the capital reserve fund requirement under (b) of
13 this section. The legislature may appropriate that sum for deposit by the corporation in
14 the applicable capital reserve fund.

15 **Sec. 41.42.330. Validity of pledge.** (a) The pledge of assets or revenue of the
16 corporation made in respect of financing obligations is considered perfected and is
17 valid and binding from the time the pledge is made, and the assets or revenue so
18 pledged and received after that by the corporation are immediately subject to the lien
19 of the pledge without physical delivery or further act. The lien of the pledge is valid
20 and binding as against all parties having claims of any kind in tort, contract, or
21 otherwise against the corporation irrespective of whether the parties have notice. The
22 resolution, trust agreement, or any other instrument by which a pledge is created does
23 not need to be recorded or filed under the provisions of AS 45.01 - AS 45.08,
24 AS 45.12, AS 45.14, and AS 45.29 to be perfected or to be valid, binding, or effective
25 against the parties.

26 (b) This section does not prohibit the corporation from selling assets or
27 revenue, subject to a pledge, except that a sale may be restricted by the trust agreement
28 or a resolution providing for the issuance of the obligation.

29 (c) The resolution, trust agreement, or any other instrument under which the
30 corporation creates a pledge or lien may establish the priorities of claims and liens on
31 the assets or revenue of the corporation, may provide for the issuance of additional

-16-

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24-GS2056A

obligations having a lien prior to, on a parity with or subordinate thereto, and may provide the conditions under which the lien priorities may be modified in the future.

Sec. 41.42.340. Nonliability on financing obligations. (a) Neither the members of the board nor the corporation's executive director or designee executing the bonds or other financing obligations is liable personally on the bonds or other financing obligations or is subject to personal liability or accountability by reason of the issuance of the bonds or such other financing obligations.

(b) The financing obligations of the corporation do not constitute an indebtedness or other liability of the state or of a political subdivision of the state, but are payable solely from the revenue and receipts or other money or property of the corporation. The corporation may not pledge the faith or credit of the state to the payment of a financing obligation, and the issuance of a bond or incurrence of a financial obligation by the corporation does not directly or indirectly or contingently obligate the state or a political subdivision of the state to apply money from, or levy or pledge, any form of taxation whatever to the payment of any financing obligations.

Sec. 41.42.350. Pledge of the state. The state pledges to and agrees with the owners of bonds issued or holders of other financing obligations incurred under this chapter that the state will not limit or alter the rights and powers vested in the corporation by this chapter to fulfill the terms of a contract made by the corporation with the bond owners or holders of other financing obligations, or in any way impair the rights and remedies of the bond owners or holders of other financing obligations until the bonds or other financial obligations, together with the interest on them with interest or unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the bond owners or holders of other financing obligations, are fully met and discharged. The corporation is authorized to include this pledge and agreement of the state in a contract with owners of bonds or holders of other financing obligations of the corporation.

Sec. 41.42.360. Tax exemption. All property of the corporation is public property devoted to an essential public and governmental function and purpose. Notwithstanding any contrary provision of law, the property of the corporation is exempt from all taxes of the state or a political subdivision of the state. All bonds

24-GS2056\A

1 issued or other financing obligations incurred under this chapter are issued by a
2 corporate and public entity of the state and for an essential public and governmental
3 function and purpose. Financing obligations and the interest and income on and from
4 such financing obligations and all income of the corporation are exempt from taxation
5 by the state or a political subdivision of the state, except for transfer, inheritance, and
6 estate taxes.

7 **Sec. 41.42.370. Bonds and other financing obligations legal investments for**
8 **fiduciaries.** (a) The bonds and other financing obligations of the corporation are
9 securities in which the following may properly and legally invest money including
10 capital in their control or belonging to them:

11 (1) public officers and bodies of the state and all municipalities and
12 political subdivisions;

13 (2) insurance companies and associations and other persons carrying
14 on any insurance business;

15 (3) banks, bankers, trust companies, savings banks, savings
16 associations, investment companies, and other persons carrying on a banking business;
17 in this paragraph, "savings associations" include savings and loan associations and
18 building and loan associations;

19 (4) administrators, guardians, executors, trustees, and other fiduciaries;

20 (5) other persons who are now or may in the future be authorized to
21 invest in bonds or other financing obligations of the state.

22 (b) Notwithstanding any other provision of law, the bonds of the corporation
23 are also securities that may be deposited with and received by public officers and
24 bodies of this state and municipalities and other political subdivisions for any purpose
25 for which the deposit of bonds or other obligations of the state is now or may in the
26 future be authorized.

27 **Sec. 41.42.380. Investment of special funds.** Money in a special fund
28 established under AS 41.42.300 - 41.42.380 may be invested in the same manner and
29 on the same conditions as permitted for investment of money belonging to the state or
30 held in the state treasury under AS 37.10.070; however, the corporation may agree
31 with bond owners or holders of other financial obligations to further limit those

-18-

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investments.

Article 4. Operations.

Sec. 41.42.400. Gas pipeline project cash reserves fund. (a) The gas pipeline project cash reserves fund is established in the corporation. The fund consists of appropriations made to it by the legislature and money or other assets transferred to it by the corporation. Appropriations made to the fund by the legislature shall be transferred from the state treasury to the corporation for deposit in the fund. Amounts deposited in the fund may be pledged to the payment of bonds, to secure a line of credit, or to otherwise meet capital call or other financial requirements of the corporation. Money in the fund shall be invested in the manner provided for in AS 41.42.380.

(b) The corporation shall report any payments made from the fund described in (a) of this section to the governor and the legislature within 20 days after the withdrawal and state the reason for the payment.

Sec. 41.42.410. Budget. The corporation is subject to the provisions of AS 37.07 for its operating budget.

Sec. 41.42.420. Political activities. The resources of the corporation may not be used to finance or influence political activities.

Sec. 41.42.430. Application of State Procurement Code. AS 36.30 (State Procurement Code) does not apply to the corporation, or to an owner entity of the project.

Sec. 41.42.440. Application of certain laws. Unless specifically provided otherwise in this chapter, the following laws do not apply to the operations of the corporation:

- (1) AS 35, regarding public works;
- (2) AS 37.05, regarding fiscal procedures, except as provided in AS 37.05.146 and AS 37.05.210;
- (3) AS 37.10, regarding public funds, except as provided in AS 37.10.500;
- (4) AS 37.20, regarding acceptance of federal funds;
- (5) AS 37.25, regarding appropriations and methods of disbursement

24-GS2056\A

1 of money;

2 (6) AS 44.62.010 - 44.62.320, regarding certain provisions of the
3 Administrative Procedure Act.

4 **Article 5. Financial Information and Control; Reporting Requirements; Public**
5 **Information; Confidential Information.**

6 **Sec. 41.42.500. Financial statements; audits; financial control of certain**
7 **subsidiaries.** (a) The corporation shall provide quarterly financial statements to the
8 governor and the Legislative Budget and Audit Committee on or before the 60th day
9 after the end of each fiscal quarter. The corporation shall provide annual audited
10 financial statements to the governor and the Legislative Budget and Audit Committee
11 on or before the 150th day after the end of each fiscal year. The Legislative Budget
12 and Audit Committee may provide for an internal audit of the corporation's books,
13 records, and accounts, and for annual operational and performance evaluations of the
14 corporation's operations and budget. Notwithstanding any contrary provision of law,
15 the Legislative Budget and Audit Committee may not audit or evaluate the
16 expenditures, operations, or performance of an entity that is not wholly owned by the
17 corporation.

18 (b) The board shall control the financial affairs of any wholly owned
19 subsidiary of the corporation.

20 **Sec. 41.42.510. Reports and publications.** (a) By September 30 of each year,
21 the board shall prepare a report of the corporation for distribution to the governor, the
22 legislature, and the public. The board shall notify the governor and the legislature that
23 the report is available. The report must be written in easily understandable language.
24 The report must include financial statements audited by independent outside auditors
25 and a statement of the amount of money received by the corporation from its
26 operations during the period covered. A short and concise summary of the report must
27 be published once in at least one newspaper in each judicial district; the summary
28 must also be written in easily understandable language.

29 (b) The corporation shall establish a website to inform the public about its
30 activities or otherwise make such information available to the public on the Internet.

31 **Sec. 41.42.520. Public access to information.** (a) The corporation is subject to

-20-

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24-GS2056A

1 the provisions of AS 40.25.100 - 40.25.220 except that, in addition to any information
2 that is in the possession of the corporation or any other state entity that is confidential
3 and exempt from public disclosure under AS 40.25.110 and 40.25.120, the following
4 information in the possession of the corporation or another state entity concerning the
5 project is confidential and exempt from public disclosure under AS 40.25.110 and
6 40.25.120:

7 (1) information pertaining to the particulars of the business or affairs
8 of an owner entity of the project, including, without limitation, tax returns, financial
9 statements, and business plans;

10 (2) information containing a trade secret or other proprietary
11 information of the corporation or of an owner entity of the project;

12 (3) information that is confidential or privileged under the laws of the
13 state, whether at common law or by statute or court rule;

14 (4) information that is required to be kept confidential under an
15 agreement with an owner entity of the project, or with other participants in an owner
16 entity of the project;

17 (5) information that would affect the competitive position of the
18 corporation or an owner entity of the project;

19 (6) information of the corporation or an owner entity of the project that
20 has commercial value that might be significantly diminished by public disclosure.

21 (b) Information in the possession of an owner entity of the project is
22 confidential and does not constitute a public record for purposes of AS 40.25.100 -
23 40.25.220, except that if the corporation wholly owns the owner entity of the project,
24 the provisions of (a), (c), and (d) of this section apply.

25 (c) Information that is considered confidential under this section may be
26 disclosed only (1) for the purpose of an official law enforcement investigation; (2)
27 when its production is required by an administrative or court order; (3) when its
28 production is required for a confidential briefing of the governor, the legislature, or a
29 legislative committee; (4) when its production is required to lenders or potential
30 lenders to the corporation or an affiliated entity of the corporation, underwriters,
31 guarantors, or insurers; and (5) in the case of a public offering of bonds, if such

-21-

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24-GS2056\A

disclosure is required by law or market practice and all other owner entities of the project receive prior notice of the disclosure. Information disclosed in accordance with this subsection remains an exception to the right of inspection of public records under AS 40.25.110 and 40.25.120. Except for information used in the case of a public offering for bonds, a person receiving information shall maintain the confidentiality of the information.

(d) The confidentiality provisions of this section do not prohibit the publication of statistics or other information presented in a manner that prevents the identification of a particular report, item, person, or enterprise, or that does not otherwise reveal trade secrets or any other proprietary information of an owner entity of a project.

Sec. 41.42.530. Application of the open meetings law. AS 44.62.310 - 44.62.312 do not apply to the corporation or to an owner entity of the project.

Article 6. General Provisions.

Sec. 41.42.900. Definitions. In this chapter, unless the context otherwise requires,

(1) "Alaska North Slope natural gas pipeline project" means a natural gas pipeline transportation system, including a pipeline capable of transmitting natural gas from the Alaska North Slope either to the mid-continental pipeline hub located in Canada, or to the contiguous states of the United States, a gas treatment plant located on the Alaska North Slope, and other related facilities, and includes, without limitation, a gas liquids extraction plant in the United States or Canada, and gas transmission pipelines necessary to transport gas from the field to a gas treatment plant or the pipeline;

(2) "board" means the board of directors of the Alaska Natural Gas Pipeline Corporation;

(3) "corporation" means the Alaska Natural Gas Pipeline Corporation;

(4) "financing obligations" means bonds, conditional sales or lease financing agreements, lines of credit, forward-purchase agreements, investment agreements, and other banking or financial arrangements, guaranties, or other obligations issued by, incurred by, or entered into by the corporation; in this

24-GS2056A

1 paragraph, "bonds" includes notes, debentures, interim certificates, and revenue or
2 grant anticipation notes.

3 (5) "owner entity of the project" means an entity or unincorporated
4 business association through which the corporation or a subsidiary entity has an
5 ownership interest in the project;

6 (6) "ownership interest in the project" means

7 (A) an interest in the project acquired by either the corporation
8 or a subsidiary entity as a result of its holding title to all or a portion of the
9 project, including a joint undivided interest; or

10 (B) an interest in the project acquired by either the corporation
11 or a subsidiary entity as a result of its becoming a shareholder of another
12 corporation, or a member of a limited liability company, or a partner or joint
13 venturer in any unincorporated business association, that owns all or a portion
14 of the project and is established under the laws of a state of the United States,
15 or under the laws of Canada or of a province or territory of Canada;

16 (7) "political activities" means intervening in any political campaign
17 on behalf of or in opposition to any candidate for public office, a political party or
18 group, or an activity conducted for partisan political purposes; in this paragraph,

19 (A) "political activities" includes an activity that is undertaken
20 with the intent to differentially benefit or harm a candidate or potential
21 candidate for elective public office;

22 (B) "activity" includes compensation accepted, received, or
23 solicited for a public official, other than compensation paid by the state for the
24 performance of official duties or responsibilities as described in
25 AS 39.52.120(b)(2);

26 (8) "project" means the Alaska North Slope natural gas pipeline
27 project;

28 (9) "subsidiary entity" means a subsidiary entity established under
29 AS 41.42.220, and includes a corporation, either non-profit or for-profit, a limited
30 liability company, or any other legal entity that can be organized under the laws of a
31 state of the United States, or under the laws of Canada or any province or territory of

1 Canada;

2 (10) "unincorporated business association" means any unincorporated
3 joint venture, partnership, limited liability partnership, or other unincorporated form of
4 business association through which the corporation or a subsidiary entity owns all or a
5 portion of the project.

6 **Sec. 41.42.990. Short title.** This chapter may be referred to as the Alaska
7 Natural Gas Pipeline Corporation Act.

8 * **Sec. 3.** AS 36.30.850(b) is amended by adding a new paragraph to read:

9 (45) contracts of the Alaska Natural Gas Pipeline Corporation, a
10 subsidiary entity of the Alaska Natural Gas Pipeline Corporation, or of an owner entity
11 of the project; in this paragraph, "owner entity of the project" has the meaning given in
12 AS 41.42.900.

13 * **Sec. 4.** AS 37.10.085(a) is amended to read:

14 (a) Except as provided in (c) - (e) [(c) OR (d)] of this section, neither the state
15 nor a political subdivision of the state may

16 (1) make a subscription to the capital stock of a corporation;

17 (2) lend its credit for the use of a corporation; or

18 (3) borrow money for the use of a corporation.

19 * **Sec. 5.** AS 37.10.085 is amended by adding new subsections to read:

20 (e) This section does not apply to the Alaska Natural Gas Pipeline Corporation
21 established in AS 41.42.010, nor to any subsidiary entity established under
22 AS 41.42.220 with respect to any action authorized by AS 41.42 or otherwise
23 necessary or appropriate to acquire, maintain, or dispose of an ownership interest in
24 the Alaska North Slope natural gas pipeline project.

25 (f) In this section,

26 (1) "Alaska North Slope natural gas pipeline project" has the meaning
27 given in AS 41.42.900;

28 (2) "ownership interest in the Alaska North Slope natural gas pipeline
29 project" has the meaning given the term "ownership interest in the project" in
30 AS 41.42.900.

31 * **Sec. 6.** AS 37.10 is amended by adding a new section to read:

1 **Article 7. Alaska Natural Gas Pipeline Construction Loan Fund.**

2 **Sec. 37.10.500. Establishment of the Alaska natural gas pipeline**
3 **construction loan fund.** (a) The Alaska natural gas pipeline construction loan fund is
4 established in the Department of Revenue to assist in the acquisition and financing of
5 an ownership interest in, and construction of, the Alaska North Slope natural gas
6 pipeline project. The fund consists of money appropriated to it by the legislature for
7 those purposes and any appropriation of interest earned on money in the fund.

8 (b) The commissioner shall manage the fund and may lend all or any portion
9 of the amounts in the fund to the Alaska Natural Gas Pipeline Corporation established
10 in AS 41.42.010 or to subsidiary entities of the Alaska Natural Gas Pipeline
11 Corporation established under AS 41.42.220 to assist in the acquisition and the
12 financing of an ownership interest in, and construction of, the project.

13 (c) The commissioner may establish terms and conditions for the loans from
14 the fund, including, without limitation, the rate of interest that is reasonable and
15 necessary to accomplish the purposes of AS 41.42. The loans may be secured or
16 unsecured, and may be subject to repayment commencing with completion of the
17 construction of the project.

18 (d) The commissioner shall dispose of property acquired through default or
19 foreclosure of a loan made under this section in a manner that serves the best interests
20 of the state.

21 (e) In this section, unless the context otherwise requires,

22 (1) "Alaska North Slope natural gas pipeline project" has the meaning
23 given in AS 41.42.900;

24 (2) "commissioner" means the commissioner of revenue;

25 (3) "fund" means the Alaska natural gas pipeline construction loan
26 fund;

27 (4) "ownership interest" has the meaning given the term "ownership
28 interest in the project" in AS 41.42.900;

29 (5) "project" means the Alaska North Slope natural gas pipeline
30 project.

31 * **Sec. 7.** AS 39.25.110(11) is amended to read:

24-GS2056\A

1 (11) the officers and employees of the following boards, commissions,
2 and authorities:

- 3 (A) [REPEALED
4 (B)] Alaska Permanent Fund Corporation;
5 (B) [(C)] Alaska Industrial Development and Export Authority;
6 (C) [(D)] Alaska Commercial Fisheries Entry Commission;
7 (D) [(E)] Alaska Commission on Postsecondary Education;
8 (E) [(F)] Alaska Aerospace Development Corporation;
9 (F) [(G)] Alaska Natural Gas Development Authority;
10 (G) Alaska Natural Gas Pipeline Corporation;

11 * Sec. 8. AS 39.50.200(a)(9) is amended to read:

- 12 (9) "public official" means
13 (A) a judicial officer;
14 (B) the governor or the lieutenant governor;
15 (C) a person hired or appointed in a department in the
16 executive branch as
17 (i) the head or deputy head of the department;
18 (ii) the director or deputy director of a division;
19 (iii) a special assistant to the head of the department;
20 (iv) a person serving as the legislative liaison for the
21 department;
22 (D) an assistant to the governor or the lieutenant governor;
23 (E) the chair or a member of a state commission or board;
24 (F) state investment officers and the state comptroller in the
25 Department of Revenue;
26 (G) the chief procurement officer appointed under
27 AS 36.30.010;
28 (H) the executive director of the Alaska Workforce Investment
29 Board; [AND]
30 (I) each appointed or elected municipal officer; and
31 (J) the executive director and other employees of the Alaska

-26-

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1 **Natural Gas Pipeline Corporation:**

2 * **Sec. 9.** AS 39.50.200(b) is amended by adding a new paragraph to read:

3 (59) Alaska Natural Gas Pipeline Corporation.

4 * **Sec. 10.** AS 39.52.960(4) is amended to read:

5 (4) "board or commission" means a board, commission, authority, or
6 board of directors of a public or quasi-public corporation, established by statute in the
7 executive branch, including the Alaska Railroad, but excluding members of

8 **(A)** a negotiated regulation making committee under
9 AS 44.62.710 - 44.62.800; **and**

10 **(B) the governing body of a subsidiary entity established**
11 **under AS 41.42.220 who are not also members of the board of directors of**
12 **the Alaska Natural Gas Pipeline Corporation;**

13 * **Sec. 11.** AS 40.25.120(a) is amended by adding a new paragraph to read:

14 (12) records and other information described in AS 41.42.520.

15 * **Sec. 12.** AS 45.45.900 is amended to read:

16 **Sec. 45.45.900. Indemnification agreements against public policy. Except**
17 **as provided in AS 45.45.905, a** [A] provision, clause, covenant, or agreement
18 contained in, collateral to, or affecting a construction contract that purports to
19 indemnify the promisee against liability for damages for (1) death or bodily injury to
20 persons, (2) injury to property, (3) design defects, or (4) other loss, damage, or
21 expense arising under (1), (2), or (3) of this section from the sole negligence or wilful
22 misconduct of the promisee or the promisee's agents, servants, or independent
23 contractors who are directly responsible to the promisee, is against public policy and is
24 void and unenforceable; however, this provision does not affect the validity of an
25 insurance contract workers' compensation, or agreement issued by an insurer subject
26 to the provisions of AS 21, or a provision, clause, covenant, or agreement of
27 indemnification respecting the handling, containment, or cleanup of oil or hazardous
28 substances as defined in AS 46.

29 * **Sec. 13.** AS 45.45 is amended by adding a new section to read:

30 **Sec. 45.45.905. Alaska North Slope natural gas pipeline project**
31 **indemnities.** (a) An owner entity that constructs, owns, or operates the Alaska North

24-GS2056\A

1 Slope natural gas pipeline project, or any portion of the project, or disposes of gas
2 from the field to a gas treatment plant or that pipeline, or any person or entity that
3 holds an ownership interest in such an owner entity, may agree, in whole or in part, to
4 indemnify, defend, release, and hold harmless from any and all liability or damages of
5 any kind or character, including any degree of negligence or other misconduct,
6 whether sole or partial, direct or imputed from any other person, arising from or
7 relating to construction, establishment, ownership, operation, or any other use or
8 activity relating to constructing or operating the project, the following:

9 (1) any entity, public or private, including the Alaska Natural Gas
10 Pipeline Corporation established in AS 41.42.010, that either

11 (A) holds an ownership interest in an owner entity; or

12 (B) is an operator of the project or of any part of the project;

13 and

14 (2) any director, officer, employee, or agent of any entity described in
15 (1) of this subsection.

16 (b) An operator who enters into an agreement with an owner entity that
17 constructs, owns, or operates the project or any portion of the project may agree, in
18 whole or in part, to indemnify, defend, release, and hold harmless from any and all
19 liability or damages of any kind or character, including any degree of negligence or
20 other misconduct, whether sole or partial, direct or imputed from any other person,
21 arising from or relating to construction, establishment, ownership, operation, or any
22 other use or activity relating to constructing or operating the project, the following:

23 (1) any person or entity with an ownership interest in the project, and
24 any person or entity that holds an ownership interest in such an owner entity, the
25 operator of the project or any affiliates thereof, but only to the extent that such persons
26 or entities provide employees to the operator on a temporary basis to work on the
27 project or provide contractual services to the operator to facilitate the project; and

28 (2) any director, officer, employee, or agent of a person or entity
29 described in (1) of this subsection.

30 (c) An indemnity agreement authorized by this section is not, and may not be
31 construed, in whole or part, as contrary to a public policy or a public duty of the state,

-28-

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24-GS2056A

1 including any common law or equitable doctrine restricting the scope of
2 indemnification between and among parties.

3 (d) In this section, unless the context otherwise requires,

4 (1) "Alaska North Slope natural gas pipeline project" has the meaning
5 given in AS 41.42.900;

6 (2) "operator" means an entity that has entered into an agreement with
7 an owner entity to construct or operate all or any portion of the project;

8 (3) "owner entity" has the meaning given the term "owner entity of the
9 project" in AS 41.42.900;

10 (4) "ownership interest" means an interest acquired as a result of an
11 entity becoming a shareholder of another corporation, or a member of a limited
12 liability company, or a partner or joint venturer in any unincorporated business
13 association;

14 (5) "project" means the Alaska North Slope natural gas pipeline project
15 and the disposal of gas from the field to a gas treatment plant or the Alaska North
16 Slope natural gas pipeline;

17 (6) "unincorporated business association" means any unincorporated
18 joint venture, partnership, limited liability partnership, or other unincorporated form of
19 business association permissible under the laws of a state of the United States, or
20 under the laws of Canada or of a province or territory of Canada.

21 * **Sec. 14.** This Act takes effect immediately under AS 01.10.070(c).