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NEWS RELEASE



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State and TAPS Owners Enter MOU

(Juneau, AK) –Attorney General Gregg Renkes announced that the State of Alaska and the five owners of the Trans-Alaska Pipeline System (TAPS) entered into a Memorandum of Understanding (MOU) on January 22, 2004. The MOU, which will be available at the Department of Law’s web site, covers discussions that representatives of the State, Phillips Transportation Alaska, Inc., BP Pipelines (Alaska) Inc., ExxonMobil Pipeline Company, Unocal Pipeline Company, and Williams Alaska Pipeline Company, LLC, will be having to negotiate successor agreements to the Interstate and Intrastate Trans-Alaska Pipeline System Settlement Agreements, sometimes called the TSM Agreements.

“I’m very pleased that we have been able to reach an agreement with the pipeline owners to proceed with these negotiations,” Renkes said. “The existing TAPS agreement provides that discussion regarding successor agreements couldn’t begin until after December 31, 2006. I believe that starting earlier will benefit all the interested parties, particularly explorers, if we can be successful establishing lower and more predictable tariffs for the future. This could be one of the most important steps we take toward promoting increased oil exploration and development.”

The State assembled a handpicked cross-disciplinary team with members from the departments of Natural Resources, Revenue, and Law to conduct the negotiations under the Attorney General’s leadership.

“A first step for the State will be to conduct meetings with important stakeholders, including the affected municipalities, legislators, shippers and explorers to solicit their concerns and ideas,” Renkes added. “We’ll be starting that process as early as possible.”

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