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STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF HIGHWAYS

OFFICE OF THE COMMISSIONER ' P. O. BOX 1467 — JUNEAU 99801

March 22, 1974

Re: North Slope Haul Road
Manning
Project RS-0681(4)

Mr. Charles A. Champion
State Pipeline Coordinator
425 G Street, Suite 750
Anchorage, Alaska 99501

Dear Mr. Champion:


Attached, for your information, is a sample of the letters we are transmitting to the project engineers and assistants who were selected to man the eight segments of the North Slope Haul Road and which outlines tentative working conditions etc. Also attached is a list of the personnel involved and the areas to which they will be assigned. This is flexible but it expresses our immediate plans.

As you will note from reading the letter, a meeting has been scheduled in Fairbanks at 9:00 a.m., April 4, 1974, at which time the Commissioner and I will outline more specifically the job responsibilities and answer questions the personnel may have regarding guidelines, policies and procedures, etc. You are cordially invited to attend, should you so desire. Alyeska & Bechtel representatives may be involved in a portion of this meeting.

The above information is furnished in order for you to keep aware of our actions involving the Yukon River - Prudhoe Bay roadway.

Sincerely yours,

B. A. Campbell, P. E.
Commissioner of Highways


R. D. Shumway, P. E.
State Construction Engineer

Attachments

- cc: W. Johansen, Interior Dist., D. E.
- B. A. Campbell, Commissioner

MEMORANDUM

State of Alaska

TO:

DATE: March 22, 1974

FILE NO: 30-2506

TELEPHONE NO:

FROM:

R. D. Shumway, P.E.
State Construction Engineer

SUBJECT: Project RS-0681(4), Yukon River -
Prudhoe Bay, Project Assignment
B-5448

We have reviewed the experience and qualifications of all personnel who have volunteered for assignment to subject project and are pleased to advise that you have been selected for this important project. This project will be under the general direction of the Fairbanks District Engineer; therefore, your duty station and pay scale will be Fairbanks. The determination of the transfer date will be dependent upon the construction schedule of the contractor, Alyeska Pipeline Service Co., and will be determined by Mr. Johansen after coordination of all details with your District Engineer. For preliminary planning purposes it is expected that your service will be needed within two to three weeks. The present plan is to assign you as Assistant Project Engineer on Segment No. 1. Your specific job duties and responsibility will be explained at a meeting of all project personnel which will be held at Fairbanks District Office on April 4, 1974, at 9:00 a.m. in the conference room. Your attendance is requested.

The following basic travel and working conditions and policies are being considered for this project.

1. The duty station will be Fairbanks for all employees working on the project.
2. Your present classification and grade will continue except for normal merit increases.
3. Food and lodging will be furnished by the State through agreement with Alyeska Pipeline Service Co. No subsistence will be allowed. All personnel will be required to live in the contractor's camp.
4. This project is a remote area construction camp operation. Families will not be allowed at the construction sites.
5. The State will furnish transportation for employee and his family if employee desires to relocate to Fairbanks. If employee chooses to keep his family residence at existing location, he will be provided transportation to Fairbanks and return to his existing duty station at an interval of once per month as clarified below. The choice of alternates must be made at time of accepting assignment.
6. The working hours will be 10 hours per day, 7 days a week for four consecutive weeks. Upon completion of a continuous 28-day working period, the employee will be returned back to his duty station and/or residence at State expense for 7 days of rest and recreation. This 7 days R & R will be mandatory. A portion of overtime will be designated compensation time in lieu of overtime pay so that employee can continue to be paid during the week of R & R. For example:

March 22, 1974

| <u>WEEK</u> | <u>STRAIGHT TIME</u> | <u>OVERTIME</u> | <u>TOTAL HOURS WORKED</u> |
|-------------|----------------------|-----------------------------|---------------------------|
| 1 | 37.5 | 32.5 | 70 |
| 2 | 37.5 | 32.5 | 70 |
| 3 | 37.5 | 32.5 | 70 |
| 4 | 37.5 | 7.5 + 25 hrs. comp. time | 70 |
| 5 | 37.5 | 0 | 0 |

Each segment will be manned by one project engineer and two assistants and the working week so staggered that there are two employees on duty each week.

7. All camp regulations will be followed.

Please consider this an offer of assignment; therefore, we would like written confirmation of your acceptance directed to Interior District Engineer, Mr. Woodrow Johansen, with a copy to this office. It should be understood that you will remain with this assignment until completion of the project. We are confident that your willingness to accept this interesting and challenging position will ultimately benefit both the State and yourself as your experience gained will be valuable in your continued employment after completion of this project.

By copy of this memo to Mr. Johansen, I am advising him of our action. It is expected that he will provide you appropriate copies of plans and specifications for your review.

It is expected that you will have numerous questions to be resolved at the forthcoming meeting.

RDS:hjb

-cc: Personnel
Woodrow Johansen
Jack Spake

| | | | | | |
|------|---|--|-----------|------|-------|
| | Steve Sisk Edwin Pierce | Construction Engineer, Fairbanks Construction Coordinating Engineer | | | |
| I | Jim Lane Pete Vallejo <i>W. Knoppe</i> W. Knoppe | Project Engineer <i>... Pump</i> Asst. Project Engineer Asst. Project Engineer | Segment 1 | 57 | |
| II | Mike Polivka <i>Crouch</i> S. Cook <i>W. Knoppe</i> M. Burgy | Project Engineer <i>... Pump</i> Asst. Project Engineer Asst. Project Engineer | Segment 2 | 45 | |
| III | Larry Geise Marshall Crouch <i>S. Cook</i> T. Mayac | Project Engineer <i>... Pump</i> Asst. Project Engineer Asst. Project Engineer | Segment 3 | | |
| IV | Ray Gutoski Jake Miller <i>Ralph Maggio</i> Lou Wegener <i>... 12</i> | Project Engineer <i>... Initiator</i> Asst. Project Engineer Asst. Project Engineer | Segment 4 | 31 | 7(14) |
| V | Arlen Davis Rolly Lowenstein George Uttermohle | Project Engineer <i>Golbraith Lake</i> Asst. Project Engineer Asst. Project Engineer | Segment 5 | 31 | (350) |
| VI | M. Robitaille Bob Longweith W. Stock <i>Notes</i> | Project Engineer <i>Happy Valley</i> Asst. Project Engineer Asst. Project Engineer | Segment 6 | N | 0 |
| VII | Rod Anderson Wes Lowenstein <i>Seiff</i> Dick Larson | Project Engineer Asst. Project Engineer Asst. Project Engineer | Segment 6 | S 34 | 0 |
| VIII | Mike Fargo Dave Boyer Donald Pierce | Project Engineer <i>Franklin Bluff</i> Asst. Project Engineer Asst. Project Engineer | Segment 7 | 54 | 0 |

HAUL ROAD CONTRACT

AMENDMENT TO CONSTRUCTION AGREEMENT

5 01
R/W 500-18
R/W 300-30

This Amendment to Construction Agreement made and entered into this 19th day of July, 1972 by and between the State of Alaska, hereinafter referred to as "State", acting by and through its Commissioner of Highways, hereinafter called the "Commissioner", and Alyeska Pipeline Service Company, a Delaware corporation, its successors and assigns, hereinafter referred to as "Contractor":

WITNESSETH:

WHEREAS, by Agreement dated June 11, 1971 the parties hereto entered into that certain Construction Agreement providing for construction by Contractor of a State highway in two segments, the first such segment from a point on the Livengood to Yukon Highway to the left bank of the Yukon River and the second such segment from the right bank of the Yukon River to Prudhoe Bay, Alaska which said Agreement was amended by that certain Supplemental Agreement dated August 3, 1971, and

WHEREAS, the parties hereto desire to further amend the said Construction Agreement dated June 11, 1971 as more fully hereinafter set forth;

NOW, THEREFORE, know all men by these presents, that the parties hereto, for and in consideration of the mutual covenants contained herein, do hereby amend that certain Construction Agreement between them dated June 11, 1971 as follows:

(1) Paragraph 4 of the said Agreement is amended to read as follows:

4. After completion of construction of each segment of the Highway and acceptance thereof by the State pursuant to Paragraph 10 of this Agreement, that segment will be open to use by the public under such regulations as the Commissioner may impose unless the Commissioner finds that such use will be hazardous to the public.

(2) Paragraph 10 of the said Agreement is amended to read as follows:

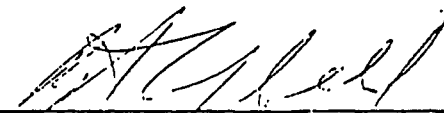
10. Upon written notice from the Contractor of the completion of the construction of the Highway or any segment thereof, the State will make an inspection of the Highway or such segment. If such construction is found completed in accordance with all terms and provisions of this Agreement, that inspection shall constitute the final inspection and the State will accept construction of the Highway or the segment or segments found to be so completed and shall notify the Contractor in writing of such acceptance as of the date of the final inspection. Thereafter, State shall maintain the portions of the Highway so accepted in accord with standards established by the Commissioner and Contractor shall have no further responsibility or obligation or liability of any kind under this Agreement with respect to the portions of the Highway so accepted, provided that Contractor shall ~~make a contribution to the State to defray~~ its actual, direct, out-of-pocket costs of such maintenance ~~allocable to Contractor's use of the Highway~~ until all segments of the Highway are accepted by the State and the trans-Alaska pipeline is commissioned and first oil is transported therein from Prudhoe Bay to Valdez, Alaska. Such cost shall include no overhead or other indirect cost whatever and shall not exceed \$800,000 for any calendar year.

Handwritten initials and scribbles:
A.K.
reimburs
EJF

(3) In all other respects the said Construction Agreement shall continue in full force and effect, as amended by the said Supplemental Agreement and by the terms and provisions herein contained.


IN WITNESS WHEREOF, the parties hereinto have caused this Amendment to be executed by their authorized officers and their seals to be affixed hereto as of the day and date first written above.


STATE OF ALASKA

By: 
Commissioner of Highways

ALYESKA PIPELINE SERVICE COMPANY

ATTEST:

By: 
Secretary

By: 
President

SUPPLEMENTAL AGREEMENT

This supplemental agreement entered into this 27th day of July, 1971, between the STATE OF ALASKA, hereinafter referred to as the "State," acting by and through its Commissioner of Highways, hereinafter called the "Commissioner," and ALYESKA PIPELINE SERVICE COMPANY, a Delaware corporation, its successors and assigns, hereinafter referred to as "Contractor."

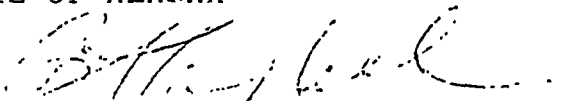
The State and Contractor agree that:

By consent of all of the parties hereto and in consideration of the mutual covenants, promises and consent by each of the parties hereto to each of the other parties, that certain construction agreement entered into on the 11th day of June, 1971, by and between the parties hereto is hereby amended and modified, in the following respects only:

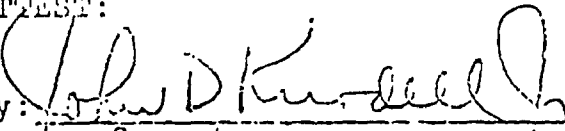
The construction agreement of June 11, 1971 is amended and modified in that the sentence contained on page 3 of the agreement which states "The State may revise or amend the applicable environmental stipulations if unforeseen conditions arise during the construction or maintenance of the highway" is amended and modified to read "The State may revise or amend the applicable environmental stipulations to protect the environment if unforeseen conditions which would endanger the environment arise during construction or maintenance of the highway."

IN WITNESS WHEREOF, the parties hereunto have caused this agreement to be executed by the authorized officers and their seals to be affixed as of the day and date first above written.

STATE OF ALASKA

By 
Commissioner of Highways

ATTEST:

By: 
Secretary

ALYESKA PIPELINE SERVICE COMPANY

By 
Vice President

CONSTRUCTION AGREEMENT

This Agreement was made and entered into this 11th day of June, 1971, between the STATE OF ALASKA, hereinafter referred to as State, acting by and through its Commissioner of Highways, hereinafter called the Commissioner, and ALYESKA PIPELINE SERVICE COMPANY, a Delaware corporation, its successors and assigns, hereinafter referred to as Contractor.

The State and the Contractor agree that:

1. The Contractor shall perform, or cause to be performed, at the Contractor's sole expense, all the work and labor required to construct a highway for the State of Alaska generally described as follows: (1) from a point on the Livengood to Yukon highway approximately three miles northwest of the Yukon Radio Repeater Tower to the South bank of the Yukon River and (2) from the North bank of the Yukon River to Prudhoe Bay, Alaska. The Contractor shall also construct, at its sole expense, all the said highway and facilities related thereto which Contractor deems necessary or useful to the construction of that highway (both segments together hereinafter referred to as Highway), in accordance with those documents listed and described in Exhibit A, all of which documents are by reference incorporated herein and made a part hereof. All of said construction of the Highway and related facilities shall be substantially in accordance with secondary highway standards for the State of Alaska. ~~At the time this Agreement is executed~~ by the parties hereto, the said documents will describe only that part of

the highway north of the Yukon River; however, as soon thereafter as practicable, the parties hereto shall supplement Exhibit A with a document or documents describing route alignment of that segment of the highway south of the said River. Upon proper application by Contractor, the State shall issue to Contractor a Utility Permit, in State's customary form and subject to all requirements of the law and the State's standard conditions, granting the Contractor authority to lay the trans Alaska pipeline across the said Highway at the locations along the Highway indicated on Exhibit A in its present form and as supplemented by the parties hereto.

2. The State will be responsible for securing, in advance of construction, all rights-of-way across State and Federal lands for the Highway and all facilities related thereto which Contractor deems necessary or useful to the construction of the Highway. The State will also be responsible for obtaining free use of mineral materials from Federal and State of Alaska lands for use in the construction of the Highway. If the State does not, however, secure such rights-of-way and permits, it shall not be liable for damages, if any, resulting therefrom. The State will also acquire all necessary rights-of-way across private lands, and the Contractor agrees to reimburse the State the actual cost of the acquisition thereof, as determined solely by the Commissioner. In order for the State to acquire such right-of-way in an orderly fashion, the Contractor agrees to furnish the State for its use a plat of the right-of-way required across private lands in advance of such right-of-way acquisition.

3. The Highway shall be a State highway and may be used by Contractor, its employees, agents and sub-contractors in a lawful manner for the construction and operation of the trans Alaska pipeline without incurring any State-imposed tolls or costs for such use of the Highway, except for applicable motor vehicle taxes, licenses and fees, such as the Alaska Motor Fuel Oil Tax, and such other fees and costs imposed by law, regulations and customary conditions of its utility permits. During construction of the trans Alaska

pipeline the Contractor shall have the right to traverse the Highway with construction equipment of all kinds as necessary or convenient to Contractor in such construction, provided however that Contractor shall repair damage to said Highway caused by such construction equipment, and provided further that such damage shall not be constituted to include normal wear and tear. Any damages apart from normal wear and tear as determined by the Commissioner will be repaired by the Contractor at its own cost and expense and to the satisfaction of the Commissioner.

4. When the Commissioner determines in writing that there is no danger to the public from hazards associated with construction, the Highway may be opened by the State for use by the public during construction of the trans Alaska pipeline.

5. The Contractor shall perform all work and labor required by this Agreement and shall conform with the plans and specifications listed and described in Exhibit A attached hereto. The Contractor shall carry Workmen's Compensation Insurance in an approved amount. The Contractor will comply with all federal, state and local laws and regulations and all stipulations, covenants, and agreements specified herein and included in Exhibit A, or Exhibit A as it may be amended, by mutual agreement, and in the Environmental Stipulations. "Environmental Stipulations" means the Environmental Stipulations of the Department of the Interior for the Trans Alaska Pipeline System (hereinafter referred to as Environmental Stipulations) insofar as they are applicable to construction of the Highway, and all rights and rights of action which accrue to the United States under the Environmental Stipulations of the Department of the Interior accrue also to the State. The State may revise or amend the applicable Environmental Stipulations if unforeseen conditions arise during construction or maintenance of the Highway. If there is non-compliance with the provisions of this paragraph, the work or

materials shall be repaired and replaced or otherwise corrected by and at the expense of the Contractor.

6. Contractor, its agents and employees, are and shall act as independent contractor and not as officers, employees, or agents of the State in the performance of this Agreement.

7. Any dispute concerning a question of fact or a value judgment arising under this contract (which is not disposed of by agreement of the parties) shall be finally decided by the Commissioner.

8. Contractor shall immediately notify the Commissioner of commencement of construction hereunder. Prior to the time such notice is given by Contractor and accepted by the State either party to this Agreement may elect, in writing, to terminate this Agreement and upon termination shall thereafter be relieved of all obligations hereunder; provided that said termination shall not become final until the Contractor has immediately paid to the State the actual costs incurred by the State pursuant to or by reason of this Agreement, thereafter the Contractor shall be relieved of all obligations imposed under this Agreement.

9. The State shall inspect the construction of the Highway and authorized representatives of the State shall be allowed access to all parts of the work and shall be furnished with such information and assistance by the Contractor as is required to make a complete and detailed inspection.

10. Upon written notice from the Contractor of the completion of the construction of the Highway or any segment thereof, the State will make an inspection of the Highway or such segment. If such construction is found completed in accordance with all terms and provisions of this agreement, that inspection shall constitute the final inspection and the State will accept construction of the Highway or the segment or segments found to be so completed and shall notify the Contractor in writing of such acceptance as of the date of the final inspection. Thereafter State shall maintain the portions of the Highway so accepted in accord with standards established by the Commissioner and Contractor shall have no further responsibility or obligation or liability

of any kind under this Agreement with respect to the conditions of the Highway so accepted, provided that Contractor shall reimburse State its actual, direct, out-of-pocket cost of such maintenance until either (1) State permits public access to any portion of the road except for restricted use which must be jointly approved or (2) the trans Alaska pipeline is commissioned and first oil is transported therein from Prudhoe Bay to Valdez, Alaska, whichever shall first occur. Such cost shall include no overhead or other indirect cost whatever and shall not exceed \$800,000 for any calendar year.

11. Any structure, property, land, stream or wildlife harmed or damaged by the Contractor, its employees or agents, during the construction or maintenance of the Highway shall be reconstructed, repaired, rehabilitated and restored by the Contractor at the direction of the Commissioner, so that the condition thereof, in the judgment of the Commissioner, is at least equal to the conditions thereof immediately prior to such damage or destruction. The Contractor shall further abate at the direction of the Commissioner any condition or conditions existing with respect to the Highway or its related facilities, during construction or maintenance thereof caused by the Contractor, its employees or agents, which may be causing harm or damage to any person, structure, property, land, stream or wildlife.

12. The Contractor shall pay the State for any damage suffered or cost or expense incurred by the State in any way arising from or connected with any operation under this Agreement whenever such damage, cost or expense results from any breach of the Agreement or from any wrongful or negligent act of the Contractor, its employees, agents or subcontractors. Upon the mailing of written notice by the Commissioner to the Contractor of the nature and amount of such damage to, or cost or expense of, the State, the Contractor shall pay the State therefor.

13. The Contractor shall indemnify, defend and hold harmless the State against and from any and all demands, claims or liabilities of every

nature whatsoever, arising directly or indirectly from or in any way connected with any or all of the following: (1) the construction or maintenance by the Contractor, its employees, agents or subcontractors, of the Highway or of any facility or structure used in connection therewith, and (2) the use or occupancy, whether authorized or not, by any person whomsoever of any land owned by the State which is the subject of any permit or right granted to the Contractor, its employees, agents or subcontractors; provided, however, that the Contractor is not responsible for injuries or damages caused by employees of the State.

14. The Contractor is and shall be liable, without regard to negligence, and shall pay the State or other person or entity thereto for any damage or loss occasioned to fish and wildlife and their habitat by construction and operations of the Contractor, its employees, agents or subcontractors, for work done under this Agreement.

15. The construction and maintenance of the Highway pursuant to this Agreement are subject to the employment preference provisions of AS 36.10.010 -110 to the extent permitted by Federal Law.

16. In the event the Commissioner determines in writing that the Contractor, its employees, agents and subcontractors have failed or refused to comply with any provision of this Agreement or of the Environmental Stipulations the State may without liability to the Contractor, its employees, agents and subcontractors, suspend or terminate any or all of the activities under this Agreement. Work so suspended or terminated shall not be resumed until the Commissioner gives the Contractor written authorization to do so.

17. In the event of any inconsistency in the provisions of the ~~documents listed below, the following order of preference shall be observed:~~

- (1) This Construction Agreement;
- (2) Specifications;
- (3) Design Criteria;
- (4) Drawings.

18. Before this Agreement becomes effective, pursuant to the provisions of AS 19.40.030, the State in lieu of bonds or individual sureties required by AS 36.25.010, may accept corporate undertakings which include the same essential provisions of the bonds or individual sureties required by AS 36.25.010 and which are satisfactory to the State, from each of the corporations owning an interest in the Alyeska Pipeline Service Company.

19. The Contractor shall furnish to the State all records of geological data, hydrological data, soil core drillings and terrain temperature measurements made during pre-construction investigations, test results, engineering standards, basic data and technical criteria relating to the design and construction of the Highway and other similar information.

20. Exhibit A attached hereto at the execution of this Agreement describes that portion of the Highway crossing Dietrich Pass in the Brooks Range as designed with grades up to 24%. The parties agree that said Exhibit shall be amended to reduce the maximum grade for that portion of the Highway between Station 1155+00 in Segment 4 and Station 159+50 in Segment 5 to grades of approximately 12%; provided, that if State can demonstrate to Contractor that said grade for said portion of the Highway can be reduced to less than 12% (without adding to the difficulty of constructing the pipeline) for a cost not to exceed \$10.4 million, which is the present estimated cost, then Contractor will construct said portion of the Highway to the lesser grade as demonstrated by State; however, in the event Contractor's estimates of unit costs as set forth in Exhibit B attached hereto are modified by reason of renegotiation with its subcontractors or otherwise, then said \$10.4 million maximum shall be adjusted accordingly.

21. This Agreement shall be binding upon and inure to the benefit of the parties in this Agreement and their successors and assigns.

IN WITNESS WHEREOF, the parties hereunto have caused this Agreement