

AMENDMENT NO. 21

**TO THE CHAIRMAN'S MARK FOR TITLE I
OF THE ENERGY POLICY BILL**

Intended to be proposed by Ms. MURKOWSKI

Purpose:

At the appropriate place, insert:

1 **SEC. __. LOAN GUARANTEES.**

2 (a) **AUTHORITY.—**

3 (1) The Secretary may enter agreements with 1 or more holders of a certificate of
4 public convenience and necessity issued under section 133(b) of this Act or section 9 of the
5 Alaska Natural Gas Transportation Act of 1976 (15 U.S.C. 719g) to issue Federal guarantee
6 instruments with respect to loans and other debt obligations for a qualified infrastructure project.

7 (2) Subject to the requirements of this section, the Secretary may also enter into
8 agreements with 1 or more owners of the Canadian portion of a qualified infrastructure project
9 to issue Federal guarantee instruments with respect to loans and other debt obligations for a
10 qualified infrastructure project as though such owner were a holder described in paragraph (1).

11 (3) The authority of the Secretary to issue Federal guarantee instruments under this
12 section for a qualified infrastructure project shall expire on the date that is 2 years after the date
13 on which the final certificate of public convenience and necessity (including any Canadian
14 certificates of public convenience and necessity) is issued for the project. A final certificate shall
15 be considered to have been issued when all certificates of public convenience and necessity
16 have been issued that are required for the initial transportation of commercially economic
17 quantities of natural gas from Alaska to the continental United States.

18 (b) **CONDITIONS.—**

19 (1) The Secretary may issue a Federal guarantee instrument for a qualified infrastructure

1 project only after a certificate of public convenience and necessity under section 133(b) of this
2 Act or an amended certificate under section 9 of the Alaska Natural Gas Transportation Act of
3 1976 (15 U.S.C. 719g) has been issued for the project.

4 (2) The Secretary may issue a Federal guarantee instrument under this section for a
5 qualified infrastructure project only if the loan or other debt obligation guaranteed by the
6 instrument has been issued by an eligible lender.

7 (3) The Secretary shall not require as a condition of issuing a Federal guarantee
8 instrument under this section any contractual commitment or other form of credit support of the
9 sponsors (other than equity contribution commitments and completion guarantees), or any
10 throughput or other guarantee from prospective shippers greater than such guarantees as shall
11 be required by the project owners.

12 (c) LIMITATIONS ON AMOUNTS.—

13 (1) The amount of loans and other debt obligations guaranteed under this section for a
14 qualified infrastructure project shall not exceed 80 percent of the total capital costs of the
15 project, including interest during construction.

16 (2) The principal amount of loans and other debt obligations guaranteed under this
17 section shall not exceed, in the aggregate, \$18,000,000,000, which amount shall be indexed for
18 United States dollar inflation from the date of enactment of this Act, as measured by the
19 Consumer Price Index.

20 (d) LOAN TERMS AND FEES.—

21 (1) The Secretary may issue Federal guarantee instruments under this section that take
22 into account repayment profiles and grace periods justified by project cash flows and
23 project-specific considerations. The term of any loan guaranteed under this section shall not
24 exceed 30 years.

25 (2) An eligible lender may assess and collect from the borrower such other fees and
26 costs associated with the application and origination of the loan or other debt obligation as are
27 reasonable and customary for a project finance transaction in the oil and gas sector.

28 (e) REGULATIONS.—The Secretary may issue regulations to carry out this section.

29 (f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such

1 sums as may be necessary to cover the cost of loan guarantees, as defined by section 502(5) of the
2 Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)). Such sums shall remain available until
3 expended.

4 (g) DEFINITIONS.—In this section, the following definitions apply:

5 (1) The term “Consumer Price Index” means the Consumer Price Index for all-urban
6 consumers, United States city average, as published by the Bureau of Labor Statistics, or if
7 such index shall cease to be published, any successor index or reasonable substitute thereof.

8 (2) The term “eligible lender” means any non-Federal qualified institutional buyer (as
9 defined by section 230.144A(a) of title 17, Code of Federal Regulations (or any successor
10 regulation), known as Rule 144A(a) of the Securities and Exchange Commission and issued
11 under the Securities Act of 1933), including—

12 (A) a qualified retirement plan (as defined in section 4974(c) of the Internal
13 Revenue Code of 1986 (26 U.S.C. 4974(c)) that is a qualified institutional buyer; and

14 (B) a governmental plan (as defined in section 414(d) of the Internal Revenue
15 Code of 1986 (26 U.S.C. 414(d)) that is a qualified institutional buyer.

16 (3) The term “Federal guarantee instrument” means any guarantee or other pledge by
17 the Secretary to pledge the full faith and credit of the United States to pay all of the principal
18 and interest on any loan or other debt obligation entered into by a holder of a certificate of
19 public convenience and necessity.

20 (4) The term “qualified infrastructure project” means an Alaskan natural gas
21 transportation project consisting of the design, engineering, finance, construction, and
22 completion of pipelines and related transportation and production systems (including gas
23 treatment plants), and appurtenances thereto, that are used to transport natural gas from the
24 Alaska North Slope to the continental United States.

25 (5) The term “Secretary” means the Secretary of Energy.