

SENATE BILL NO. 314

INTRODUCED BY R. WEBB

A BILL FOR AN ACT ENTITLED: "AN ACT ADOPTING THE COMPACT ON PIPELINE SITING; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Enactment -- provisions.**

ARTICLE I

PURPOSE

(1) Siting pipelines across international and state borders and federal lands is an issue for Canada, the United States, U.S. states, pipeline companies, consumers, environmentalists, and other stakeholders. The current, multiyear application review process by separate and equal jurisdictions constitutes a sometimes inefficient and redundant process for pipeline companies and complicates the efforts of Canadian, federal, and state policymakers and other stakeholders to develop more robust economic opportunities, increase energy development, and ensure the consumers have the lowest cost resources possible.

(2) In an effort to create more energy independence, develop more energy resources, and capture economic opportunities, states who enter into this compact recognize a critical need to be able to site and construct international pipelines.

(3) This compact recognizes that states have a vested interest in retaining their sovereignty and that compacts can forestall preemptive acts if states cooperatively develop a pipeline siting process.

(4) The goal of this compact is to balance competing interests of the stakeholders and to provide a mechanism with which to resolve differences, bring interested parties together, and move projects forward. The compact creates a structure under which states may cooperate on a regional basis to facilitate siting of pipelines.

(5) Based on these considerations, this compact is intended to:

- (a) simplify and standardize the application and filing process for pipelines;
- (b) create a transparent and streamlined process for review and decisionmaking;
- (c) allow states to consider regional benefits;
- (d) minimize impediments and delays to the siting and construction of pipelines;

- 1 (e) promote regional collaborative decisionmaking on siting while providing the opportunity for public  
2 review and comments regarding an application;
- 3 (f) preserve state sovereignty with respect to pipeline siting and eminent domain;
- 4 (g) create a forum for federal agencies and tribes to become part of the siting review process  
5 simultaneously with states.

6 ARTICLE II

7 DEFINITIONS

- 8 (1) "Bylaws" means those bylaws established by the commission pursuant to Article IX for its governance  
9 or for directing or controlling its actions and conduct.
- 10 (2) "Combined pipeline siting authority" (CPSA) means the members of the state project review panel  
11 (SPRP) of each state that has adopted the pipeline siting compact and enacted the enabling compact legislation.
- 12 (3) "Commission" means the commission created pursuant to Article IX of this compact.
- 13 (4) "Commissioner" means the voting representative appointed by each compact member pursuant to  
14 Article IX of this compact.
- 15 (5) "Convening state" means the member state in which an application is filed.
- 16 (6) "Federal agency" means any agency of the United States government authorized by Congress that  
17 administers lands within a proposed pipeline route in a member state.
- 18 (7) "Member state" means a state that has adopted the pipeline siting compact and has enacted the  
19 enabling compact legislation.
- 20 (8) "Pipeline" means a pipeline that traverses more than one state.
- 21 (9) "Record" means all materials and testimonies submitted to the CPSA during formal proceedings.
- 22 (10) "Rule" means a written statement by the commission promulgated pursuant to Article XII of this  
23 compact that is of general applicability, implements, interprets, or prescribes a policy or provision of the compact  
24 or an organizational, procedural, or practice requirement of the commission, and has the force and effect of  
25 statutory law in a member state and includes the amendment, repeal, or suspension of an existing rule.
- 26 (11) "State" means any state, commonwealth, district, or territory of the United States or a province of  
27 Canada.
- 28 (12) "State project review panel" (SPRP) means three representatives of each member state. When  
29 applicable, one representative must be appointed by the governor and two must be appointed by the legislature.
- 30 (13) "Tribe" means any Native American or Alaskan Native tribe or organization federally recognized by

1 the United States Department of the Interior and the Bureau of Indian Affairs.

2 ARTICLE III

3 OVERVIEW OF THE APPLICATION AND REVIEW PROCESS

4 (1) This compact creates a method for states to site pipelines.

5 (2) Three levels of organization are provided:

6 (a) a state project review panel within each member state, consisting of three members, to coordinate  
7 the views of different agencies and interests within the state;

8 (b) a combined pipeline siting authority, consisting of the members of the state project review panels of  
9 the member states, authorized to make siting decisions for that project; and

10 (c) a compact commission, which provides administrative support and rulemaking capability.

11 (3) (a) If authorized by Congress, the CPSA is hereby given the authority under the compact to  
12 cooperatively site pipelines within affected states.

13 (b) A project sponsor for a pipeline may choose to:

14 (i) use the procedures of this compact; or

15 (ii) apply to each affected state and nation under the state or national procedures otherwise applicable.

16 In member states, federal backstop permitting may not be requested.

17 (c) If a pipeline has acquired siting authority in accordance with the procedures provided for in subsection  
18 ~~(2)(b)(ii)~~ (3)(B)(ii) prior to establishment of a compact, the CPSA may recognize that siting authority as meeting  
19 applicable siting application requirements under this compact.

20 (4) (a) A request for siting authority under this compact is initiated by filing an application in any one of  
21 the member states in which the project would be sited. That member state shall convene the CPSA. The CPSA  
22 shall make an early determination to accept or reject the application and shall set a procedural schedule for a  
23 hearing on the merits of the project.

24 (b) The application must include:

25 (i) a declaration of need. In member states that have not declared a critical need for energy  
26 infrastructure, the showing of need is established by:

27 (A) a determination by each member state in accordance with applicable statute; and

28 (B) other procedures acceptable to the CPSA, with proper accounting for the rules and statutes of each  
29 involved member state.

30 (ii) all relevant information regarding cost recovery of project costs. Project cost recovery may be

1 addressed under applicable federal and state regulatory commissions, private contracts, or other mechanisms  
2 as specified by the applicant.

3 (iii) how the application is consistent with applicable state siting requirements;

4 (iv) environmental studies normally required by the states;

5 (v) the proposed route plan, including an alternatives analysis; and

6 (vi) the corporate identity of the primary applicant and any additional partners.

7 (c) Public notification of the application and the proposed pipeline must be provided to each involved  
8 member state and the United States government by the convening state.

9 (5) During the review process, the CPSA shall hold two public hearings as follows:

10 (a) the first hearing to evaluate whether the application is complete; and

11 (b) the second hearing to assess the merits of the application, including but not limited to the economic  
12 justification and environmental impacts of the proposed pipeline.

13 (6) (a) Once a route is certified by the CPSA, eminent domain authority is based on each state's existing  
14 authority.

15 (b) Once a route is certified by the CPSA, environmental siting processes are based on each state's  
16 existing authority.

17 (7) For the purposes of this compact, judicial appeal is based on the appellate process established for  
18 the Canadian government, if applicable, or in the United States Court of Appeals for the District of Columbia  
19 Circuit under 28 U.S.C. 2343.

20 (8) Other information may be required to meet the substantial interests of the involved state, United  
21 States, or state requirements for international pipelines based upon pre-application conferences with stakeholders  
22 and involved states.

#### 23 ARTICLE IV

#### 24 APPLICATION FILING PROCESS

25 (1) (a) The application process begins with the filing of an application.

26 (b) Siting a pipeline across multiple states requires only one application, and that application will be filed  
27 in one state with a state siting authority.

28 (c) The applicant may file in any member state, which serves as the convening state. The convening  
29 state shall ensure that copies of the filing are forwarded to the other member states. Once the application is filed,  
30 the convening state shall convene other member states to form a CPSA in the state of filing.

1 (d) The applicant is responsible for all reasonable costs associated with the review of the application by  
2 the involved states, ensuring that costs are covered independent of individual state funds.

3 (2) Each member state shall form a state project review panel. One member must be designated as the  
4 chairperson.

5 (3) Affected federal agencies and tribes must be notified, and the CPSA must include one advisory  
6 representative for federal agencies if federal land is involved and one representative for all federally recognized  
7 tribes if tribal land is involved, who serve in an ex officio capacity.

#### 8 ARTICLE V

##### 9 REVIEW OF SUFFICIENCY OF APPLICATION

10 (1) The initial application review process must be completed within 90 days of filing.

11 (2) During the 90-day period, the convening state shall assemble the CPSA to meet and review the  
12 application. Meetings may be held face to face or convened by electronic means as determined by the CPSA.

13 (3) The SPRP shall review the application for completeness and accept or reject the application before  
14 proceeding with the formal hearing and approval process by the CPSA. If the application is rejected for  
15 incompleteness, the information found to be missing or inadequate must be clearly specified by the SPRP.

16 (4) The CPSA triggered in accordance with this compact establishes the procedural policies for  
17 implementation, including public notice of filings and hearings.

#### 18 ARTICLE VI

##### 19 PROPOSAL REVIEW AND TIMELINE

20 (1) (a) A CPSA hearing must occur within 90 days of the initial filing and is intended to assess the  
21 completeness of the application.

22 (b) A second CPSA meeting must occur no more than 30 days after the initial decision on completeness.  
23 The second meeting must be held to assess the merits of the application, including but not limited to the proposed  
24 route, international, national, and regional energy needs, and costs.

25 (2) At the hearing in accordance with subsection (1)(a), the CPSA shall establish procedures for  
26 intervenors to participate in developing the formal record for the application review.

27 (3) The CPSA shall hold at least one public comment hearing in each of the involved member states.  
28 These public comment hearings must be completed within 120 days after the initial application filing.

29 (4) At CPSA and SPRP meetings, all transcripts and other exhibits must be recorded, and all meetings  
30 must be open to the public.

ARTICLE VII

APPROVAL PROCESS

(1) The CPSA shall conduct an evidentiary hearing.

(2) (a) The CPSA shall issue conditional or final approval based on the record within 270 days of the filing of the application unless the applicant and the CPSA agree to a different timeline.

(b) The CPSA shall outline the required actions in instances where conditional approval is granted.

(3) All decisions of the CPSA must be based on majority vote, with each involved member state having one vote, with a member state vote determined by a majority vote of each SPRP.

(4) A member state, based upon the rules of the involved member states, may alter the route for the pipeline within its boundaries by assuming incremental costs. AN ALTERATION ALSO MUST COMPLY WITH ENVIRONMENTAL SITING PROCESSES BASED ON EACH STATE'S EXISTING AUTHORITY.

ARTICLE VIII

ADMINISTRATIVE AND JUDICIAL REVIEW

(1) (a) A person aggrieved by an action taken by the CPSA pursuant to the provisions of the compact or authorized rules promulgated under the compact is entitled to a hearing before the commission according to the procedures provided in the compact bylaws and rules.

(b) After exhaustion of administrative remedies, an aggrieved person has the right to judicial review of a final action by the commission before the appropriate Canadian government court or a three-judge panel of the United States District Court for the District of Columbia if the action is commenced within 90 days. Any requirement to commence construction, installation, or alteration within a certain time period is tolled during a judicial review proceeding, but not by more than 12 months unless the applicant in its discretion waives the tolling in writing. If there are multiple appeals, tolling may not exceed a total of 12 months for all appeals. The applicant may not engage in construction during the period that the time period is tolled. The CPSA shall, for good cause shown, waive for up to 1 year any requirement that construction of a pipeline must proceed with due diligence.

(2) The commission may initiate actions to compel compliance with the provisions of this compact and the bylaws and rules promulgated under the compact. Jurisdiction over the actions is granted to the appropriate Canadian government court or the United States District Court for the District of Columbia. The remedies available to a court include but are not limited to equitable relief and civil penalties.

(3) Each member state may issue orders within its respective jurisdiction and may initiate actions to compel compliance with the provisions of its respective statutes and regulations adopted to implement the

1 authorities contemplated by this compact in accordance with the provisions of the laws adopted in each state's  
2 jurisdiction.

3 (4) An aggrieved person, a member state, or the commission may commence a civil action in the relevant  
4 courts and administrative systems to compel a person or member state to comply with this compact should the  
5 person or member state, without approval having been given, undertake the siting of a pipeline that is prohibited  
6 by or subject to approval pursuant to this compact.

7 (5) Action under this Article may not be commenced if:

8 (a) CPSA approval for the pipeline has been granted; or

9 (b) the CPSA has found that the proposed siting is not subject to approval pursuant to this compact.

10 (6) Action under this Article may not be commenced unless:

11 (a) a person commencing the action has first given 60 days prior notice to the commission, person, or  
12 member state alleged to be in noncompliance; and

13 (b) neither the commission, the person, nor the member state has commenced and is diligently  
14 prosecuting appropriate enforcement actions to compel compliance with this compact.

15 (7) The available remedies must include equitable relief, and the prevailing or substantially prevailing  
16 party may recover the costs of litigation, including reasonable attorney and expert witness fees, whenever the  
17 court determines that an award is appropriate.

18 (8) Each of the member states may adopt provisions providing additional enforcement mechanisms and  
19 remedies, including equitable relief and civil penalties applicable within its jurisdiction to assist in the  
20 implementation of this compact.

## 21 ARTICLE IX

### 22 THE INTERSTATE PIPELINE COORDINATING COMPACT COMMISSION

23 (1) The member states hereby create the Interstate Commission on Pipeline Siting for the purpose of  
24 the administration of the compact, which is a discretionary state function.

25 (2) Any province of Canada that is contiguous with a member state may become a party to this compact  
26 by taking action as its laws and the laws of Canada may prescribe for ratification. In this event, the term "member  
27 state" in this compact includes within its meaning the term "province" and the procedures prescribed must be  
28 applied in the instance of the provinces, in accordance with the forms and practices of the Canadian government.

29 (3) The commission is a body corporate and joint agency of the member states and has all the  
30 responsibilities, powers, and duties set forth in this compact and additional powers conferred upon it by a

1 subsequent concurrent action of the respective governments of the member states in accordance with the terms  
2 of this compact.

3 (4) The commission consists of one commission voting representative from each member state, who  
4 is that member state's compact commissioner. Each member state shall appoint a compact commissioner and  
5 alternates by legislative, parliamentary, or other appointment, as applicable, or as otherwise determined by law.  
6 Each member state represented at a meeting of the commission is entitled to one vote.

7 (5) A majority of the total member states constitutes a quorum for the transaction of business unless a  
8 larger quorum is required by the bylaws of the commission.

9 (6) The bylaws may:

10 (a) provide for meetings of the commission to be conducted by telecommunications or electronic  
11 communication;

12 (b) include ex officio, nonvoting representatives who are members of interested organizations, including  
13 but not limited to tribes, regional organizations, and federal agencies; and

14 (c) meet at least once each calendar year via telecommunications or in-person meetings.

15 (7) The chairperson may call additional meetings and, upon the request of a simple majority of the  
16 member states, shall call additional meetings.

17 (8) The bylaws must establish rules that provide for conditions and procedures under which the  
18 commission, the CPSA, and SPRPs make information and official records available to the public for inspection  
19 or copying as required by the Government in the Sunshine Act and the Freedom of Information Act.

20 (9) At commission meetings all transcripts and other exhibits must be recorded, and all meetings must  
21 be open to the public.

22 (10) After six states join the compact, an executive committee may be established, whose members shall  
23 include the officers of the commission and other members of the commission as determined by the bylaws.

24 (a) Members of the executive committee:

25 (i) shall serve 1-year terms;

26 (ii) are entitled to one vote each;

27 (iii) may act on behalf of the commission, with the exception of rulemaking, during periods when the  
28 commission is not in session;

29 (iv) shall oversee the day-to-day activities of the administration of the compact, including enforcement  
30 and compliance with the provisions of the compact and its bylaws and rules, and other duties considered



1 necessary.

2 ARTICLE X

3 POWERS AND DUTIES OF THE COMMISSION

4 (1) The commission may:

5 (a) provide for dispute resolution among member states;

6 (b) promulgate rules that are binding to the extent and in the manner provided for in this compact;

7 (c) issue, upon request of a member state, advisory opinions concerning the meaning or interpretation  
8 of the compact and its bylaws, rules, and actions;

9 (d) enforce compliance with the compact provisions, the rules promulgated by the commission, and the  
10 bylaws using all necessary and proper means, including but not limited to the use of judicial process;

11 (e) purchase and maintain insurance and bonds;

12 (f) borrow, accept, hire, or contract for services of personnel;

13 (g) establish and appoint committees, including but not limited to an executive committee as required  
14 by Article IX that has the power to act on behalf of the commission in carrying out its powers and duties;

15 (h) elect or appoint officers and appoint attorneys, employees, agents, or consultants and fix their  
16 compensation, define their duties, and determine their qualifications;

17 (i) establish the commission's personnel policies and programs relating to conflicts of interest, rates of  
18 compensation, and qualifications of personnel;

19 (j) accept any and all donations and grants of money, equipment, supplies, materials, and services and  
20 to receive, utilize, and dispose of them;

21 (k) lease, purchase, accept contributions or donations, or otherwise own, hold, improve, or use any  
22 property, real, personal, or mixed;

23 (l) sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property, real,  
24 personal, or mixed;

25 (m) establish a budget and make expenditures;

26 (n) adopt a seal and bylaws governing the management and operation of the commission;

27 (o) report annually to the legislatures, governors, or other appropriate legislative or executive leaders  
28 of the member states concerning the activities of the commission during the preceding year. Reports must include  
29 any recommendations that may have been adopted by the commission.

30 (p) coordinate education, training, and public awareness regarding the compact and its implementation

- 1 and operation for officials involved in the compact;
- 2 (q) maintain corporate books and records in accordance with the bylaws; and
- 3 (r) perform functions necessary or appropriate to achieve the purposes of this compact.

4 ARTICLE XI

5 ORGANIZATION AND OPERATION OF THE COMMISSION

6 (1) The commission shall, by a majority vote of the members present and voting, within 12 months after

7 the first commission meeting adopt bylaws to govern its conduct that are necessary or appropriate to carry out

8 the purposes of the compact.

9 (2) (a) The commission shall, by a majority vote of the members, elect or appoint annually from among

10 its members a chairperson, a vice chairperson and a treasurer, each of whom shall have the authority and duties

11 as may be specified in the bylaws.

12 (b) The chairperson or, in the chairperson's absence or disability, the vice chairperson shall preside at

13 all meetings of the commission.

14 (c) The elected officers shall serve without compensation or remuneration from the commission;

15 however, subject to the availability of budgeted funds, the officers must be reimbursed for ordinary and necessary

16 costs and expenses incurred by them in the performance of their responsibilities as officers of the commission.

17 (3) The commission's officers and its employees are immune from suit and liability, either personally or

18 in their official capacity, for a claim for damage to or loss of property or personal injury or other civil liability caused

19 by, arising out of, or relating to an actual or alleged act, error, or omission that occurred, or that the person had

20 a reasonable basis for believing occurred, within the scope of commission employment, duties, or responsibilities.

21 However, the person is not protected from suit or liability for damage, loss, injury, or liability caused by the

22 intentional or willful and wanton misconduct of the person.

23 (4) The liability of the commission's executive director and employees or commission representatives,

24 acting within the scope of the person's employment or duties, for acts, errors, or omissions occurring within the

25 person's state or nation may not exceed the limits of liability set forth under the constitution and laws of that state

26 for government officials, employees, and agents. The commission is considered to be an instrumentality of the

27 member states for the purposes of any action. Nothing in this subsection may be construed to protect a person

28 from suit or liability for damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct

29 of the person.

30 (5) The commission shall defend the officers and its employees and, subject to the approval of the

1 appropriate legal counsel of the member state represented by a commission representative, shall defend the  
2 commission representative in any civil action seeking to impose liability arising out of an actual or alleged act,  
3 error, or omission that occurred within the scope of commission employment, duties, or responsibilities or that  
4 the defendant had a reasonable basis for believing occurred within the scope of commission employment, duties,  
5 or responsibilities as long as the actual or alleged act, error, or omission did not result from intentional or willful  
6 and wanton misconduct on the part of the defendant.

## 7 ARTICLE XII

### 8 RULEMAKING FUNCTIONS OF THE COMMISSION

9 (1) (a) The commission shall promulgate reasonable rules pertaining to the administration of the CPSA  
10 in order to effectively and efficiently achieve the purposes of this compact.

11 (b) Notwithstanding the requirements of subsection (1)(a), in the event the commission exercises its  
12 rulemaking authority in a manner that is beyond the scope of the purposes of this compact or the powers granted  
13 under this compact, the action by the commission is invalid and has no force or effect.

14 (2) Rules must be made pursuant to a rulemaking process that substantially conforms to the appropriate  
15 member state's administrative procedures or the federal Administrative Procedure Act, as amended, as may be  
16 appropriate to the operations of the commission.

17 (3) Within 30 days after a rule is promulgated, any person may file a petition for judicial review in the  
18 appropriate Canadian court, if applicable, the United States District Court for the District of Columbia, or the  
19 federal District Court in the district where the commission has its offices. The filing of a petition does not stay or  
20 otherwise prevent the rule from becoming effective unless the court finds that the petitioner has a substantial  
21 likelihood of success. The court shall give deference to the actions of the commission consistent with applicable  
22 law and may not find the rule to be unlawful if the rule represents a reasonable exercise of the commission's  
23 authority.

## 24 ARTICLE XIII

### 25 OVERSIGHT, ENFORCEMENT, AND DISPUTE RESOLUTION

26 (1) The executive, legislative, and judicial branches of government in each member state shall enforce  
27 this compact and shall take all actions necessary and appropriate to effectuate the compact's purposes and  
28 intent, including enforcement of any orders of the regional panels under this compact. The provisions of this  
29 compact and the rules promulgated under this compact have the force and effect of law.

30 (2) All courts shall take judicial notice of the compact and the rules in any judicial or administrative

1 proceeding in a member state pertaining to the subject matter of this compact that may affect the powers,  
2 responsibilities, or actions of the commission or panels.

3 (3) The commission or panels are entitled to receive all service of process in any proceeding and shall  
4 have standing to intervene in the proceeding for all purposes. Failure to provide service of process to the  
5 commission renders a judgment or order void as to the commission, this compact, or promulgated rules.

6 (4) If the commission determines that a member state has defaulted in the performance of its obligations  
7 or responsibilities under this compact or the bylaws or promulgated rules, the commission shall provide:

8 (a) written notice to the defaulting member state and other member states of the nature of the default,  
9 the means of curing the default, and any action taken by the commission and shall specify the conditions by which  
10 the defaulting state must cure its default; and

11 (b) remedial training and specific technical assistance regarding the default.

12 (5) The commission may, by a majority vote of the members, assess fines, fees, and costs in amounts  
13 determined to be reasonable, as fixed by the commission.

14 (6) The procedural schedule continues even without the defaulting state's participation.

15 (7) The member state that has been suspended or terminated is responsible for all assessments,  
16 obligations, and liabilities incurred through the effective date of suspension or termination, including obligations  
17 the performance of which extends beyond the effective date of suspension or termination.

18 (8) The commission may not bear any costs relating to a member state that has been found to be in  
19 default or that has been suspended or terminated from the compact unless otherwise mutually agreed upon in  
20 writing between the commission and the defaulting member state.

21 (9) The defaulting member state may appeal the action of the commission by petitioning the appropriate  
22 Canadian court, the United States District Court for the District of Columbia, or the federal District Court in the  
23 district where the commission has its principal offices. The prevailing party must be awarded all costs of the  
24 litigation, including reasonable attorney fees.

25 (10) If a member state defaults as a result of a filing by a pipeline operator or the decision by the CPSA,  
26 the CPSA shall intervene as a friend of the court on behalf of a pipeline applicant who follows the pipeline siting  
27 compact rules.

28 (11) The commission shall attempt, upon the request of a member state or an SPRP, to resolve disputes  
29 that are subject to the compact and that may arise among member states, between member and nonmember  
30 states, and between member states and pipeline applicants.

1 (12) The commission shall promulgate a rule providing for both mediation and binding dispute resolution  
2 for disputes as appropriate.

3 (13) The commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules  
4 of this compact.

5 (14) The commission, upon the request of a member state, may by majority vote of the members initiate  
6 legal action in the appropriate Canadian court, the United State District Court for the District of Columbia, or, at  
7 the discretion of the commission, in the federal District Court in the district where the commission has its principal  
8 offices to enforce compliance with the provisions of the compact and its promulgated rules and bylaws against  
9 a member state in default. The relief sought may include both injunctive relief and damages. In the event judicial  
10 enforcement is necessary, the prevailing party must be awarded all costs of the litigation, including reasonable  
11 attorney fees.

12 (15) The remedies provided in this compact are not the exclusive remedies of the commission. The  
13 commission may avail itself of any other remedies available under applicable international, federal, or state law.

#### 14 ARTICLE XIV

#### 15 FINANCE AND ADMINISTRATION

16 (1) The commission established in accordance with this compact shall delegate day-to-day management  
17 and administration of its duties, as needed, to employees, contractors, or donated staff, who are considered  
18 government employees.

19 (2) The commission shall pay or provide for the payment of reasonable expenses of its establishment  
20 and organization. To fund the cost of initial operations, the commission may accept contributions and other forms  
21 of funding from federal agencies, compacting states, and other sources. Contributions and other forms of funding  
22 from other sources must be of a nature that the independence of the commission is not compromised.

23 (3) The commission shall collect a filing fee equal to 1.5% of the filing fee paid to the CPSA for each  
24 proposed pipeline from the applicant to cover the cost of operations and activities of the commission and its staff  
25 in a total amount sufficient to cover the commission's annual budget.

26 (4) The commission shall adopt an annual budget sufficient to provide for the payment of the reasonable  
27 expenses of its establishment, organization, and ongoing activities, which must be fully funded by the member  
28 states that bear ultimate responsibility.

29 (5) Nothing in this Article prevents the commission from paying obligations incurred and outstanding from  
30 a prior year.

1 (6) The commission may not pledge the credit of any member state except by and with the appropriate  
2 legal authority of that state, and as a governmental entity is exempt from all taxation in and by the member state.  
3 A member state does not have a claim to or ownership of any property held by or vested in the commission or  
4 to any commission funds held pursuant to the provisions of this compact.

#### 5 ARTICLE XV

#### 6 MEMBER STATES, EFFECTIVE DATE, AND AMENDMENT

7 (1) Any state, including a Canadian province in accordance with Article IX, is eligible to become a  
8 member state.

9 (2) The compact becomes effective and binding upon enactment of the compact into law by no less than  
10 three of the member states. Thereafter, it becomes effective and binding as to any other member state upon  
11 enactment of the compact into law by that member state. The governors of nonmember states or their designees  
12 must be invited to participate in the activities of the commission on a nonvoting basis prior to adoption of the  
13 compact by all member states.

14 (3) The commission may propose amendments to the compact for enactment by the member states. An  
15 amendment may not become effective and binding upon the commission and the member states unless and until  
16 it is enacted into law by unanimous consent of the member states.

#### 17 ARTICLE XVI

#### 18 WITHDRAWAL AND DISSOLUTION

19 (1) Once effective, the compact continues in force and remains binding upon each and every member  
20 state, but a member state may withdraw from the compact by specifically repealing the statute that enacted the  
21 compact into law.

22 (2) Withdrawal from this compact must be done by the enactment of a statute repealing the compact but  
23 does not take effect until the later of either the final determination of a pending application involving that member  
24 state or 1 year after the effective date of the statute and until written notice of the withdrawal has been given by  
25 the withdrawing member state to the executive leader of each other member jurisdiction.

26 (3) The withdrawing member state shall immediately notify the chairperson of the commission in writing  
27 upon the introduction of legislation repealing this compact in the withdrawing member state. The commission shall  
28 notify the other member states of the withdrawing member state's intent to withdraw within 60 days of receipt of  
29 the notification.

30 (4) The withdrawing member state is responsible for all assessments, obligations, and liabilities incurred

1 through the effective date of withdrawal, including obligations the performance of which extends beyond the  
2 effective date of withdrawal.

3 (5) Reinstatement following withdrawal of a member state occurs upon the withdrawing member state  
4 reenacting the compact or upon a later date as determined by the commission.

5 (6) This compact dissolves effective on the date of the withdrawal or default of the member state that  
6 reduces the membership in the compact to one member state.

7 (7) Upon the dissolution of this compact, the compact becomes null and void and is of no further force  
8 or effect, and the business and affairs of the commission must be concluded and surplus funds must be  
9 distributed in accordance with the bylaws.

## 10 ARTICLE XVII

### 11 SEVERABILITY AND CONSTRUCTION

12 (1) The provisions of this compact are severable, and if any phrase, clause, sentence, or provision is  
13 held unenforceable, the remaining provisions of the compact are enforceable.

14 (2) The provisions of this compact must be liberally construed to effectuate its purposes.

15 (3) Nothing in this compact may be construed to prohibit the applicability of other interstate compacts  
16 to which the states are members.

## 17 ARTICLE XVIII

### 18 BINDING EFFECT OF COMPACT AND OTHER LAWS

19 (1) Nothing in this compact prevents the enforcement of any other law of a member state that is not  
20 inconsistent with this compact.

21 (2) All member states' laws conflicting with this compact are superseded to the extent of the conflict.

22 (3) All lawful actions of the commission, including all rules and bylaws promulgated by the commission,  
23 are binding upon the member state.

24 (4) All agreements between the commission and the member states are binding in accordance with their  
25 terms.

26 (5) In the event any provision of this compact exceeds the constitutional limits imposed on a member  
27 state, the provision is ineffective to the extent of the conflict with the constitutional provision in question in that  
28 member state.

29

30 NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an

1 integral part of Title 75, ~~chapter 20~~, and the provisions of Title 75, ~~chapter 20~~, apply to [section 1].

2

3 NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

4

5 NEW SECTION. **Section 4. Termination.** [This act] terminates June 30, 2018.

6

- END -