

Oil companies' suit challenges ELF bill

A lawsuit challenging the retroactive application of Alaska's recently passed Economic Limit Factor legislation was filed late last month in Alaska Superior Court by six Alaska oil producers contending the Legislature did not properly pass provisions of the law necessary to make it retroactive.

The companies filing suit include Arco Alaska Inc., BP Exploration Inc., Exxon Corp., Marathon Oil Co., Phillips Petroleum Co. and Union Oil Co. of California.

At issue is whether the law should take effect on Jan. 1, 1989, or Aug. 6, 1989, 90 days after the bill was signed into law. The suit maintains that the Alaska Constitution requires a two-thirds vote by both legislative bodies for an effective date other than 90 days after a bill is signed.

According to state estimates, retroactive application of the law will cost producers an additional \$60 to \$70 million.