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Ted Stevens, John C. Bennett, Chuck Herbert Hogle Hamilton, Bob Ward

with Frank Murkowski, moderator

Gas Pipeline 1974

Fairbanks, Alaska

After a song and a prayer an unidentified speaker introduces Frank Murkowski. Frank Murkowski thanks the Fairbanks Chamber of Commerce for hosting the forum. Frank explains the purpose of the forum. They hope to clear up any misunderstanding about the proposal for a natural gasline in Alaska or Canada. Each panelist can make a ten minute presentation and then may address questions. The press members are introduced: Tad Bartomis, Sue Lewis, Helen Atkinson, Joe LaRocca, Ted Lay and others in the audience. Moderator for the press will be Don Day.

Ted Stevens is introduced. He said he did support the concept of a natural gas reserves, but he thinks that we should not be blind about the subject. The gas in Prudhoe Bay is not sufficient to support two pipelines, but combined with PET 4 and the offshore reserves there would be three times as much as just Prudhoe Bay. There may be at least two pipelines. The first pipeline may go through Alaska and Canada. The reality is there may be new ways to transport gas that aren't developed yet. The first proposal was filed by the Alaska Arctic Gasline that would be 2600 miles in length to the MacKenzie River Delta. El Paso proposes to build a pipeline from the Prudhoe Bay to Gravena Point in the Prince William Sound. Ted Stevens said there is an absolute need for a means of transportation for the gas that is proven to date. It is essential that the natural gas line should be built. The final decision for the pipeline route and who will build it is important to Alaska. He wonders why be in a hurry. He doesn't believe that Alaskans don't need to commit themselves to either option. He is concerned about royalty gas. He believes that Alaska must look at the total development of the gas. He talked about the issue of long range economy. The gas should be viewed as a raw material for industrial use and not just for sale in the lower forty-eight. He talked about the province of Alberta and their petro-chemical development. He believes there are similar opportunities in Alaska. Many companies are interested in using the royalty gas in the state of Alaska. He talked about the U.S. Natural Gas Act and its implications. He posed several questions: will the Canadian land claims be settled to meet the 1979 deadline, would the gasline or the gas passing through the pipeline be taxed by the various provinces, and does the technology exist to process the volume of natural gas from the North Slope. He talked about the problems of shipping transportation. He discussed the environmental impact of both routes. He did not want to get involved in any more environmental litigation. He thought a pipeline from Fairbanks to the Cook Inlet would be a good idea even if the state would have to help pay for it. He believes that it is not necessary or prudent to be committing to a specific proposal at this time. He thinks that Alaska should ask what commitments these companies are willing to make to Alaska.

The next panelist, Mr. John C. Bennett (born 1923) is introduced. He listed the difference between the two proposals. The first project would be controlled by the United States with 809 miles of pipeline and the second project would be largely under Canadian control with approximately 6300 miles of large diameter pipe. The proposed LNG plant is in the same time frame as the pipeline. His company has constructed over 23,000 miles of gas pipeline. He and his company are concerned that the Canadian project would cause an outflow of over ten billion dollars of balance of payments, the difference in tax revenues, a delay because of the amount of territory the pipeline would cover, delay in the construction in Canada because of lack of support there, and the benefits to Alaska. He talked about the route of the El Paso project using the oil pipeline corridor. He doesn't see the gas pipeline in operation by 1979. He talked about the taxes on the facilities of the pipeline in Canada. He talked about the plans for the LNG plant. He does see his company committing to sending gas lines to where the state wants them. He gave an explanation of the balance of payments and taxation differences of the two projects.

Chuck Herbert (born 1910) is introduced. He has been working as Commissioner of the Dept. of Natural Resources for the state of Alaska. Hoyle Hamilton is also with Chuck Herbert. He talked about the state's share of natural gas. The state does not have a local market for the lowest projected amount of royalty gas. There are plans to double the petrochemical output already in existence. Cook Inlet does not produce enough for the planned increase in use. New gas discoveries are needed in Cook Inlet. He talked about the royalty gas in the Cook Inlet. He doesn't see Cook Inlet gas ever being available to other communities so the North Slope source is important. If there is an LNG plant on an Alaska port it would be shipped in very large tankers and not be available from the tankers in the state ~~with the large~~. He talked about using barges to transport gas to smaller communities. He believes that the state of Alaska should retain the state's flexibility to use the royalty gas in the state of Alaska.

Robert W. Ward is introduced. He is president of the Alaskan Arctic Gasline Company which is part of a consortium which plans to transport Alaskan and Canadian gas to American and Canadian markets. He has held several government positions in Alaska. He said the resources are on the North Slope and the market area is south and east in the continental United States. He talked about different ways of transporting the gas with a buried pipeline or converting to LNG. His company has conducted environmental and engineering research to develop a system to move gas from Alaska to the lower United States. He talked about the savings by using the plan developed by the Alaskan Arctic Gasline Company. He talked about Alaskan concerns. He said it is obvious that Alaska is the focal point for power in United States. It is a time when energy is a major part of the United States economics.