

Series: Tanana Yukon Historical Society tapes

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Natural gas pipeline forum

Robert Ward continued to talk about Alaska's role in the economics of the United States. He talked about Alaska's royalties from power resources. He said he wanted to have the royalties used in Alaska. He said they have made estimates of the taxes to be based on well head prices. There are also property taxes to be considered. He discussed the needs to develop the resources and a petrochemical market in Alaska.

Frank Murkowski then asked the panel to make comments. Senator Stevens asked Bob Ward about natural gas coming down the pipeline corridor to the fourth pumping station and why it couldn't be brought to Fairbanks. He asked about having the Haines pipeline used again for gas and asked about Cook Inlet royalty gas being used in the Fairbanks area. He mentioned the recent embargo and Canada's help at the time. He warned about irritating our Canadian neighbors and the imports from Canada to the United States. John said he is not unfriendly to Canada but he talked about the costs of power resources from Canada. He talked about by-products of LNG. He doesn't think it makes sense to create new pipeline when they can use a system already in place. Bob Ward talked about John's estimated costs for a pipeline. He said Native claims are important in Canada and the treaties in existence. He discussed the problems of the McKenzie corridor. He doesn't feel it is an impediment of their proposed pipeline. He discussed the issue of taxation of a pipeline in a province in Canada. He talked about environmental concerns of routes through Canada and Alaska. He believes that the timing of each proposal is about the same and that there is a possibility of using royalty gas in Fairbanks.

The press panel is then given an opportunity to ask questions. Tad Barnabis asked Bob Ward about the Alaskan politicians that have committed to Arctic Gas. Bob Ward said no politicians who have committed to Arctic Gas. Sue Lewis asked Senator Stevens about his belief that there is no hurry to make a decision on the pipeline and his support for a trans-Alaska route. Senator Stevens said he doesn't know of any other applications for a route and his preference for an Alaskan entity applying. He commented that neither of the companies are finished with the application process. Helen Atkinson asked about El Paso using the same right-of-way as Alyeska. General Bennett said they do not plan to use to use the same right-of-way, but keep a distance from the oil pipeline. The engineering is a little bit different. They would be using the Haul Road already in existence. Bob Ward talked about financing of the Arctic Gas project. He said they have not considered Arab money in their planning. Unidentified speaker asked about the use of royalty gas in Alaska. General Bennett said that private companies shouldn't get into business that is sensitive and in the hands of Alaska. Bob Ward said that his company has made studies about how royalty gas can be used in Fairbanks. A question for General Bennett: how will Mexico gas affect the Prudhoe Bay gas. He said gas supplies are dwindling rapidly and he said that Mexican gas can be used, too. Sue Lewis asked about the Arctic Gas proposal to supply gas to Fairbanks. Bob Ward said their system could accommodate various volumes and if there was a market for the gas it could be done. Unidentified speaker talked about the establishment of a refinery in Fairbanks and the establishment of a petrochemical company and the hope there will be the most economical use of the product. Question about taking some of the royalty gas in money and if other states had total use. Senator Stevens talked about long-term contracts that each company may have. Once it is committed to a pipeline the royalty owners may not be able to get their gas. He talked about the historic vote for the oil pipeline.