

I do note with interest that one of the competing applicants has publicly condemned the NEB fund requirement as a violation of the recently approved Natural Gas treaty with Canada, and, by implication, a sign of bad faith on the part of the Canadian government.

Their assertion is preposterous.

The Canadians and the Commonwealth countries in general have closely watched our experiences and our recording of impact phenomena associated with trans-Alaska pipeline construction. The NEB fund requirement is nothing more, in my opinion, than a recognition of the enormous social costs of these massive energy resource development projects, and an understanding that the government at the federal level has the ultimate, though clearly not the entire responsibility, to reduce them.

This has been our message to the United States federal government for the past several years. I sincerely hope that with the Canadian NEB precedent in mind that your office and the Office of the President will give serious consideration to some sort of a federal mechanism for reducing the inevitable social and economic disruption in small communities adjacent to the gas pipeline.

I should note in closing that extensive documentation of impact problems in the rural and urban areas of Interior Alaska is available and can be supplied on short notice to the appropriate office of the federal government.

I should also note that the Association's Executive Committee of the Board of Directors has informally taken the position that of the two trans-Canadian gas pipeline proposals the Alcan route proposal is far superior to the Beaufort Sea/Mackenzie River route proposal.

Generally we believe that, in line with our concern with the social and economic implications of these projects, an overland route following existing transportation corridors will create less uncertainty during construction and operation of the facility, and, therefore, significantly reduce long term social disruption and related social costs.

Sincerely,

Jerry Smetzer
Executive Director

JES:bjs

Enclosures: 1. FPC, FEIS, El Paso Alaska, CP 75-96 et al.
Pages 287 - 290.

2. Final Report, Rural Impact Information Program