

Alaska Natural Gas Pipeline Proposals (North Slope to Market)
Chronology of Events: 1981
by Betty Galbraith
7/15/09

- 1981 Maps & Dreams: Indians And The British Columbia Frontier, by Hugh Brody, was published. Hugh Brody had worked for the Union of British Columbia Indian Chiefs to help them design a land use and occupancy study. This study was undertaken to protect Indian land rights during the Alaska Natural Gas Pipeline Project and other mineral development projects. Brody continued to work with the project through 1980. The official reports of the project were published by the Union. Maps And Dreams was written to explain the results of the study, and Indian attitudes toward the land.
- Jan 6, 1981 The U.S. General Accounting Office released its report, Trans-Alaska Oil Pipeline Operations: More Federal Monitoring Needed, in which it stated that Alyeska Pipeline Service Co. had not complied fully with federal regulations designed to prevent leaks and other pipeline damage. The office recommended that federal monitors intensify their surveillance.
- Jan 8, 1981 The Fairbanks North Star Borough adopted resolution no. 81-3, requesting employment and housing information from Northwest Alaskan Pipeline Co., the Office of the Federal Inspector and the State Office of the Pipeline Coordinator. They requested that this information be provided to them prior to the organization of the 12th Alaska Legislature.
- Jan 15, 1981 The Iowa State Commerce Commission issued a permit allowing Northern Border Pipeline to proceed with construction of the pipeline as far as Ventura.
- Jan 19, 1981 The Department of Energy officially recommended to the Federal Energy Regulatory Commission that Pacific Gas Transmission's remaining Western Leg pipe be 42" in diameter, rather than 36". Then on January 31, 1981 part of the western leg was upgraded from 36" to 42" pipe.
- Jan 29, 1981 The Socioeconomic and Environmental Terms and Conditions for Swift River B.C., Northern British Columbia, and Saskatchewan were approved by Canada's Governor in Council.
- Jan 29, 1981 Canada's Northern Pipeline Agency held public hearings in Olds, Alberta to determine the need for additional land for the completion of the eastern leg prebuild.

- Jan 29, 1981 The President issued Executive Order 12291, establishing a moratorium on regulations.
- Feb 1981 The Canadian Federal Government established a fund of \$1 million to assist native groups mitigate the impact of the pipeline project.
- Feb 4, 1981 *Alaska from the Inside* reported that Alaska's Governor Jay Hammond had proposed a series of amendments to the Alaska Gas Pipeline Financing Authority Act. The changes would insure that the authority could float bonds to aid financing of Alaska Highway Gas Pipeline.
- Feb 5, 1981 Canada's Northern Pipeline Agency held public hearings in Brooks, Alberta, to determine the need for additional land for the completion of the eastern leg prebuild in Canada.
- Feb 6, 1981 James Edwards, Secretary of Energy, wrote to H.A. Olson, Canada's Minister of State for Economic Affairs, stating that the U.S. Government was firmly committed to the completion of the Alaska Natural Gas Transportation System.
- Feb 9, 1981 The Ceremony commemorating the beginning of construction of the western leg of the U.S. portion of the Alaska Highway Gas Pipeline, was held in Spokane, Washington.
- Feb 10, 1981 Northwest Alaskan Pipeline Co. filed an application before the Environmental Protection Agency for an Air Quality Permit for the Gas Conditioning Plant, to be placed on the North Slope of Alaska.
- Feb 12, 1981 The Fairbanks North Star Borough let a contract to R & M Consultants to study possible locations for a petrochemical plant in the Borough.
- Feb 13, 1981 The South Dakota Legislature enacted a Bill making the siting authority given to the State Public Utilities Commission permanent.
- Feb 13, 1981 The Alaska Office of the Pipeline Coordinator filed a brief concerning reimbursable socioeconomic costs which would be incurred by the State, before the Federal Energy Regulatory Commission. These costs included surveillance costs, and costs of socioeconomic assistance to communities impacted by the Project. The State contended that such costs should be reimbursed by the company, and should be included in the certification cost estimate.

- Feb 17, 1981 The Northern Pipeline Agency held hearings in Shaunavon, Saskatchewan on the Foothills Pipe Lines (Sask.) Ltd. application for additional lands along the route. The hearing reconvened March 23 in Regina.
- Feb 18, 1981 *Alaska from the Inside* reported that Northwest Alaskan Pipeline Company and the Southern California Division of Fluor Engineers and Constructors Inc. had executed the final contract covering engineering services on the Alaska Leg of the pipeline.
- Feb 18, 1981 A resolution was introduced in the Alaska House requesting the Joint Gas Pipeline Committee of the legislature to investigate and recommend about delivery of Prudhoe Bay natural gas to market. The resolution never left committee.
- Feb 18, 1981 The State of Alaska filed a Memorandum with the Federal Energy Commission outlining its legal basis for seeking recovery of a portion of socioeconomic costs incurred to the State from construction activities associated with ANGTS.
- Feb 19, 1981 Due to abnormally wet muddy ground conditions in Idaho, Pacific Gas Transmission Co. was forced to suspend construction activities on Loop I of the western leg. Construction resumed March 30.
- Feb 19, 1981 HB 197 was introduced into the Alaska House of Representatives. It contained revisions to the Alaska Gas Pipeline Authority. The bill never made it out of committee.
- Feb 23, 1981 The Environmental Protection Agency issued Air Quality Permits for the 7 Compressor Stations in Alaska. Hearings had been held Nov. 18-20, 1980.
- Feb 23-24,1981 The South Dakota Public Utilities Commission held public hearings on Northern Border Pipelines Right of Way Application to cross state lands.
- Feb 25, 1981 Construction began on Loop IV of the western leg, northeast of Stanfield, Oregon.
- Feb 26, 1981 The Office of the Federal Inspector approved the Affirmative Action Plan submitted by Pacific Gas and Electric Co.
- Feb 26, 1981 Foothills Pipe Lines (South Yukon) Ltd. was given the approval to begin work on the Quill Creek Test Facility, by the Northern Pipeline Agency. This was a test of pipe laying techniques and of pipeline design for discontinuous permafrost terrain.

- Feb 27, 1981 The National Energy Board issued 23 Orders of Approval, granting Foothills Pipe Lines (Alberta) Ltd. leave to take additional lands along the Alberta leg of the pipeline.
- March 5, 1981 Northwest Alaskan Pipeline Company announced its 1981 field program schedule in *Alaska Newslines*.
- March 6, 1981 Williams Brothers Engineering Co. submitted their Evaluation Of Certification Cost Estimate, Alaska Segment, Alaska Natural Gas Transportation System (ANGTS) to the Office of the Federal Inspector. The Williams Brothers cost estimate was considerably less than the cost estimate submitted by Northwest Alaskan Pipeline Company.
- March 6, 1981 Bill C-60, An Act to Amend the National Energy Board Act, was approved by the House of Commons in Canada. The amendment established revised procedures for acquiring lands for pipeline purposes.
- March 9, 1981 The North Dakota District Court in Bismark heard oral argument in the Federal Energy Regulatory Commission/Office of the Federal Inspector suit against the North Dakota Public Service Commission decision to refuse Northern Border Pipeline a right of way for the pipeline route that had been approved by the Federal government.
- March 9, 1981 SB 257 was introduced in the Alaska Senate. It was an act to establish the Alaska Natural Gas Industrial Development Authority, and authorizing the authority to issue revenue bonds to finance construction for a gas conditioning plant, and repealing the Alaska Gas Pipeline Financing Authority. The bill never made it out of committee.
- March 9, 1981 Oral argument was heard in the North Dakota District Court in Bismark, in the FERC/OFI suit against the North Dakota Public Service Commission decision to refuse the Northern Border Pipeline right-of-way for the route approved by FERC and OFI.
- March 10, 1981 Operations and Safety Manuals for the completed Canadian western leg of the line were approved. These manuals included procedures for fire prevention and control, and detection of leaks, and pipe repairs.
- March 11, 1981 President Reagan confirmed his administration's support of the Gas Pipeline Project (contingent on private financing), in a speech before the Canadian Parliament.
- March 11, 1981 The U.S. Department of Interior issued the Grant of Right of Way for the Eastern Leg of the Alaska Highway Gas Pipeline. The Grant authorized a 54' wide right-of-way across 10 miles of federal lands in Montana and

North Dakota. This grant did not include approval to cross the Ft. Peck Indian Reservation in Montana. Northern Plains Natural Gas was required to negotiate separate agreements with the Tribal Council and individual landowners.

- March 12, 1981 Joseph M. Chomski of Birch, Horton, Bittner and Monroe testified before the Alaska Natural Gas Pipeline Committee on the current status of the Alaska Gas Pipeline as seen from the federal statutory, regulatory and political perspective. He also discussed the outlook for the pipeline and implications for the State of Alaska.
- March 12, 1981 A draft of the Adger-Berman report (authors J. Richard Berman, of the Office of the Federal Inspector, and John B. Adger, of the Federal Energy Regulatory System) on estimated cost of construction of the Alaskan segment of the pipeline, was issued by FERC for review.
- March 13, 1981 Northern Border Pipeline Co. filed suit against Jackson County in Minnesota over the County's requirement that the entire segment of line in that county be covered by 6 feet of soil. The company contended that this requirement was pre-empted by Federal Regulations. The Company proposed to bury the pipe with 3 feet of top soil. The hearing was set for April 20, 1981.
- March 16, 1981 R & M Consultants, contractor to the Fairbanks North Star Borough, turned in a preliminary report on potential petrochemical development within the Borough. This type of development would depend on construction of a gas liquids pipeline from Prudhoe Bay, or gas taps from the Alaska Highway Gas Pipeline.
- March 17, 1981 The Anchorage Assembly voted to request that the Dow-Shell Study Group include Fire Island in their petrochemical study, as a possible site for a petrochemical plant.
- March 18, 1981 Northwest Alaskan Pipeline Co. filed an application with the State of Alaska for use of their selected site for the gas conditioning facility.
- March 18, 1981 The State of Alaska Office of the Pipeline Coordinator transmitted its draft socioeconomic stipulations, to be attached to the right-of-way across State lands, to Northwest Alaskan Pipeline Company. Draft Socioeconomic Stipulations, Alaska Natural Gas Transportation System
- March 18, 1981 Alaska's Governor Hammond and the Alaska House and Senate leadership issued their Joint Statement on Oil Taxes Issued by the State Administration and the Legislative Leadership. This was a call for a sound

strategy for protecting Alaska oil and gas revenues after legal challenges by the oil industry.

- March 20, 1981 The Office of the Federal Inspector gave Northern Plains Natural Gas Co. final approval for the design of the system.
- March 23, 1981 The Office of the Federal Inspector established a construction office in Wallulla, Washington.
- March 23, 1981 Mitchell Sharp, Commissioner for the Northern Pipeline Agency, stated the private financing of the ANGTS project had always been the aim of both the Canadian and U.S. governments. This talk was at a seminar on Canada-U.S. energy issues in Seattle, WA.
- March 25, 1981 The Bureau of Indian Affairs approved the Fort Peck Indian Reservation Tribal Council's grant of right-of-way across the reservation to Northern Border Pipeline Co. The easement was to remain valid till March 31, 1984.
- March 30, 1981 Construction resumed on Loop I of the western leg of the pipeline, in Bonner County, Idaho.
- March 31, 1981 Canada's National Energy Board began hearings on the transportation rates to be charged by the Foothills Pipeline group of companies.
- April 1981 Foothills Pipe Lines (South Yukon) Ltd. began preparation for construction of a facility to test pipeline construction methods and equipment to determine their suitability in permafrost areas.
- April 1, 1981 Export price of Canadian gas increased to \$4.74 per 1000 cu ft.
- April 1, 1981 The National Energy Board authorized Foothills Pipe Lines (Alberta) Ltd. to open the 3 newly constructed sections of the Alberta portion of the Alaska Highway Gas Line's western leg, at a maximum operating pressure of 1260 psi.
- April 2, 1981 The U.S. District Court for North Dakota granted a summary judgment in favor of the Office of the Federal Inspector and the Federal Energy Regulatory Commission in their suit against the North Dakota Public Service Commission. They said that North Dakota had no jurisdiction to interfere with the routing of the Alaska Natural Gas Transportation System as determined by the President of the United States and the Federal Energy Regulatory Commission.

- April 8, 1981 The Government Accounting Office (GAO) issued a report, Environmental & Other Problems Along The Alaska Pipeline Corridor, discussing impact to Federal lands along the route of the Haul Road in Alaska, and parts of the Trans-Alaska Oil Pipeline route, as well as parts of the proposed Alaska Natural Gas Transportation System route in Alaska.
- April 10, 1981 The "Adger/Berman Report" analyzing the cost estimate for the Alaska Leg, was submitted to the Federal Energy Regulatory Commission. This report found Northwest Alaskan Pipeline Company's cost estimate "considerably above the assurance level anticipated by the Incentive Rate of Return (IROR) orders."
- April 12, 1981 The South Dakota Public Utilities Commission authorized the construction of the eastern leg, by Northern Border Pipeline Company. This approval was for lands under its control.
- April 15, 1981 The final cost estimate for the eastern leg was approved by the Federal Inspector. This estimate would form the basis for the incentive rate of return mechanism.
- April 15, 1981 Northwest Alaskan Pipeline Co. filed their application for right of way over State lands before the State of Alaska.
- April 15, 1981 Alaska Oil and Gas Income Taxation: A review of the State's Current Options was released. The report was prepared for the Joint Gas Pipeline committee and the Alaska State Legislature by Preston Thorgrimson Ellis and Holman, and Gregg Erickson and Associates. They had been contracted to review the options available for implementing the goals established in the Joint Statement on Oil Taxes of March 18, 1981. The review included legal, economic and fiscal analysis of various options.
- April 16, 1981 The Office of the Federal Inspector published the final rules on its organization, powers and duties in the Federal Register.
- April 18, 1981 The Office of the Federal Inspector signed a Notice to Proceed for Northern Border Pipeline Co. to proceed with the construction of 6 segments of the eastern leg. (Montana, South Dakota, Minnesota & Iowa)
- April 20-21, 1981 FERC held hearings in Alaska, at the state's request, on the socioeconomic impacts of ANGTS in Alaska. The FERC trial staff filed its memorandum on May 12, 1982.

- April 20, 1981 The U.S. District Court in Minneapolis, Minn., held hearings concerning the Northern Border Pipeline Co. suit against Jackson County, Minn. The suit was over the depth at which the pipeline was required to be buried.
- April 23, 1981 The Design and Engineering Board met to finalize the financing package for the Alaska section of the pipeline. Producers offered 30% equity.
- April 25, 1981 The Bureau of Indian Affairs confirmed the Tribal Council's approval, and granted Northern Border Pipeline Co. right of way over Fort Peck Indian Reservation in Montana.
- April 27, 1981 Northern Border Pipeline Co. won its suit against Jackson County in Minnesota. The judge ruled that the county lacked statutory and constitutional authority to impose the 6' requirement on the interstate gas pipeline.
- April 30, 1981 The Office of the Federal Inspector conditionally approved Northwest Pipeline Corporation's affirmative action plan for the western leg of the pipeline.
- April 30, 1981 North Dakota district court issued its final judgment on the Joint OFI/FERC suit against the North Dakota Public Service Commission. The court held that the provisions of the Alaska Natural Gas Transportation Act (ANGTA) described a pervasive scheme of federal regulations, thus leaving the Public Service Commission without jurisdiction over selection of the pipeline route.
- May 1981 The Alaska Oil and Gas Conservation Commission reported that Alaska gas reserves were estimated at 32846 BSCF, as of January 1, 1981. Approximately 87.8% of the reserves were contained in the Prudhoe Bay Field.
- May 4, 1981 Construction began on the eastern leg of the pipeline in South Dakota. The official commemoration ceremony was held May 5, outside of Abardeen.
- May 4, 1981 Alaska's Senator Murkowski spoke before the Alaska State Legislature. He recommended that the State assist in the financing of the project, which would give it partnership with the major owner companies.
- May 5, 1981 The Federal Energy Regulatory Commission issued a show cause order, inviting public comment on two audit reports on expenditures of Northern Border Pipeline Co.
- May 9, 1981 The 6 chilled pipe test sites constructed along the pipeline route in Alaska were placed in operation.

- May 12, 1981 The Emergency Salvage Plan for Cultural Resources along the Eastern Leg of the pipeline was approved by the Office of the Federal Inspector. The Plan was prepared by the cultural resources officers and archaeologists of the Northern Border Pipeline Co, the Office of the Federal Inspector, and the States affected.
- May 13, 1981 At a meeting between Northwest Alaskan Pipeline Co. and potential financiers, the financing package fell through. Only 30% financing was committed for the Alaska Leg.
- May 18, 1981 Alaska's Attorney General opined that state land for the conditioning plant could only be leased under AS38.35 (Right of Way Leasing Act) procedures.
- May 18-19, 1981 The State of Alaska Department of Environmental Conservation held public meetings in Anchorage and Fairbanks on the proposed site for development of a world scale petrochemical complex.
- May 19, 1981 HB 200 was introduced in the Alaska House of Representatives. "An act relating to oil and gas taxes" The bill was to redesign Alaska's taxation of oil and gas. (SSHB 200) It never made it out of committee. A similar bill SB 524 did become law. (FCCSB 524)
- May 20, 1981 The Alaska Legislature Joint Gas Pipeline Financing Committee held hearings May 20-26, 1981 on the sponsor substitute for House Bill 200. This bill was to amend the state oil and gas income tax.
- May 21, 1981 In a letter to the Federal Energy Regulatory Commission, Northwest Alaskan Pipeline Co. announced that an agreement was reached between Alaskan Northwest Natural Gas Transportation Co. and the 3 major gas producers in Prudhoe Bay (Exxon, Sohio, and Atlantic Richfield) for financing the Alaska segment of the gasline and conditioning plant. This agreement called for 70% equity in the pipeline and plant for Alaskan Northwest, and 30% for the gas producers. The conditioning plant was not included in this agreement. This agreement would be presented to prospective lenders.
- May 21, 1981 The Northern Pipeline Agency approved Foothills Pipe Lines (Yukon) Limited's manpower plan. Nine major elements were addressed: entry requirements, labor supply and sources, manpower requirements, training, opportunity measures for women and native peoples, dissemination of employment and training information, and local hire.

- May 21, 1981 The Office of the Federal Inspector issued final costs reimbursement rules, setting standard procedures to recover costs from the Alaska Natural Gas Transportation System sponsor companies. The sponsors were obligated to reimburse the Federal Government for certain costs to Federal agencies incurred during the process of issuing right of way permits for federal lands.
- May 21, 1981 HCR 37 was introduced in the Alaska House of Representatives. The resolution endorsed the stipulations proposed as requirements for construction of the Alaska Highway Natural Gas Pipeline. The resolution never made it out of committee.
- May 22, 1981 The Northern Pipeline Agency announced that approval was given to Foothills Pipe Lines (Alta) Ltd. and Foothills Pipe Lines (Sask) Ltd. to proceed with construction of the eastern leg of the Alaska Natural Gas Transportation System Project in Alberta and Saskatchewan. Both began construction on May 26.
- May 24, 1981 Final tie-ins were made from the western leg of the Alaska Natural Gas Transportation System to the existing systems of NOVA, and Alberta Corporation, in Alberta, and Natural Gas Co., in South British Columbia. Gas exports were expected to begin in the fall of the year, through these sections of the pipeline. Construction had been completed for the western leg in February, except for these tie-ins.
- May 25, 1981 Foothills Pipe Lines (South Yukon) Ltd. began taking an inventory of Yukon residents interested in pipeline construction employment. This inventory was to be used in planning of training programs.
- May 25, 1981 Marine Pipeline Construction of Canada Ltd. began construction on Canada's eastern leg in Alberta.
- May 27, 1981 The Office of the Federal Inspector published its final rules on cost reimbursement procedures in the Federal Register.
- May 27, 1981 Preston Thorgrimson Ellis & Holman completed their report to the Alaska State legislature and the Joint Gas Pipeline Committee, which expanded on their April 15, 1981 report on state oil and gas tax strategy. Sound Strategy For Protecting Alaska's Oil And Gas Revenues: An Analysis Of The Backstop Tax Legislation. The report concluded that the backstop legislation, as embodied in SSHB 200 was a sound strategy.
- May 29, 1981 Majestic Wiley Constructors Ltd. began construction on the eastern leg of the pipeline in Saskatchewan.

- May 29, 1981 The memorandum of agreement between the Equal Employment Opportunity Commission and the Office of the Federal Inspector for handling employment discrimination complaints was signed. It contained detailed procedures for filing and processing discrimination complaints, and provided for exchange of information on such topics as employment policies of the project sponsors and their contractors, affirmative action programs, and employment records.
- June 1981 Northwest Alaskan Pipeline Co. terminated negotiations with Alyeska Pipeline Service Co., to purchase the construction camps north of Delta, Alaska. Among the alternatives considered was building all new camps, which would increase the projected costs of the Alaska leg of the Project.
- June 3, 1981 Northwest Alaskan Pipeline Co and the three major North Slope gas producers, Exxon, ARCO, and Sohio, reached a joint financing Agreement.
- June 4, 1981 Alaska State Legislature's Gas Pipeline Committee held hearings on the Socioeconomic stipulations developed by the State Office of the Pipeline Coordinator. They then passed house concurrent Resolution #37, supporting the stipulations.
- May 11-24, 1981 The Alaska State Legislature Free Conference Committee on Senate Bill 524 held hearings. This was one of two bills under consideration to change the oil and gas income tax.
- June 16 1981 HR 6 became House Resolve #1 endorsing stipulations proposed as requirements for construction of the Alaska Gas Pipeline.
- June 16-18, 1981 Canada's Environmental Assessment Panel held public hearings in Whitehorse, to review pipeline route alternatives in the Ibex Pass area of Yukon Territories. It later recommended a route along the west side of the Alaska highway.
- June 17, 1981 Alaskan Northwest Natural Gas Transportation Co. submitted a request for waivers of certain provisions of the financing regulations. They requested that the Prudhoe Bay producers be allowed to participate in the financing of the project Among the waivers, they requested to be allowed to include the costs of building the gas conditioning plant in the costs of the Alaska segment of the pipeline. They also requested to be allowed to pre-bill consumers of gas for the cost of the construction of the pipeline.
- June 18, 1981 Foothills Pipe Lines (Yukon) Ltd. finalized an \$800 million loan with the Canadian Imperial Bank of Commerce for the prebuild section of the pipeline.

- July 1981 The Alaska Project Division of NOVA, an Alberta Corporation merged with Foothills Pipe Lines (Yukon) Ltd., in order to create one organization with prime responsibility for design and construction of the entire Canadian portion of the Alaska Natural Gas Transportation System. (with the exception of South British Columbia, which remained the sole responsibility of Alberta Natural Gas Co.) Prior to this Nova had had complete responsibility for the design and construction of the portions in Alberta and Saskatchewan, Westcoast Transmission for North British Columbia, Alberta Natural Gas for South British Columbia, and Foothills Pipe Lines (Yukon) Ltd. for the rest. The new organization would insure a more cohesive approach to the project, and better communication with the Northern Pipeline Agency. Westcoast Transmission Co. Ltd. concurred with the merger. The ownership structure remained the same. NOVA and Westcoast continued to own 50% of Foothills Pipe Lines. The operations agreements also remained the same. NOVA would operate the Alberta segment, Westcoast the North BC segment, Alberta Natural gas the South BC segment, and TransCanada Pipelines the Saskatchewan segment.
- July 1981 Texas Gas Alaska Corporation (a wholly owned subsidiary of Texas Gas Transmission Corporation) withdrew from the Alaskan Northwest Natural Gas Transmission Co., the consortium planning to build and operate the Alaska section of the gas pipeline. They stated that continued equity participation didn't make economic sense.
- July 1981 Phillips Petroleum Co. withdrew from the Alaska leg ANGTS design engineering board.
- July 1,1981 Northwest Alaskan Pipeline Co. officially notified the Office of the Federal Inspector and State Office of the Pipeline Coordinator that they were slowing down operations.
- July 6, 1981 The Office of the Federal Inspector awarded a \$1.2 million contract to Main Hurdman and Cranston, of New York City, to review the Alaska Northwest Pipeline Company management/cost control system and the Northern Border Pipeline Co. management/cost control system.
- July 8-13 The Office of the Federal Inspector opened an office in Rosalia, Washington. It closed offices in Wallula, Washington and Samuels Idaho, as construction of the western leg neared completion
- July 10,1981 Canada's Northern Pipeline Agency held hearings in Strathmore, Alberta to consider applications of Foothills Pipe Lines (Alta) Ltd. for additional land rights along the eastern leg of the pipeline in Alberta.

- July 17, 1981 Alaska's Governor Hammond signed a major revision of the state's oil and gas tax structure (FCCSB 524) into law. The law changed the oil and gas income tax based on separate accounting, to a modified apportionment formula. It also increased the effective severance tax rate to 15%.
- July 22, 1981 Northwest Alaskan Pipeline Co. submitted a supplement to its design package containing a "Design Criteria Manual for Geotechnical Assessment" to the Office of the Federal Inspector.
- July 26, 1981 A welders strike halted pipeline construction in Alberta and Saskatchewan. The walkout ended August 6, 1981.
- Aug 1981 John Kruse of the University of Alaska Institute of Social and Economic Research issued a study of public attitudes toward petrochemical development in Alaska. This study was done for the State of Alaska Department of Environmental Conservation.
- Aug 6, 1981 Pipeline welders accepted a new 2 year contract, ending the walkout in Alberta and Saskatchewan that had started July 26.
- Aug 10-16 1981 The U.S. Secretary of the Interior announced that the Alaska leg of the Alaska Natural Gas Transportation System was in serious financing difficulty. He also reported that the prognosis for congressional action of the waiver package was unfavorable. He noted that the probable decision to deregulate natural gas prices was causing problems for financing the pipeline.
- Aug 10, 1981 North Dakota Public Service Commission signed a memorandum of agreement with the Office of the Federal Inspector, concerning their respective roles in overseeing pipeline matters.
- Aug 13, 1981 The Office of the Federal Inspector announced approval of Northwest Alaskan Pipeline Co.'s affirmative action plan for employment and procurement for the Alaska segment of the pipeline.
- Aug 14, 1981 The Federal Energy Regulatory Commission released its Final Report on Cost Estimate and Related Incentive Rate of Return Issues for the Alaska Segment of the Alaska Natural Gas Transportation System.
- Aug 15, 1981 A cooperative agreement between the Department of Interior and the State of Alaska was signed. This agreement established procedures to coordinate the issuance of land related permits, easements, rights-of-way and other authorizations for the Alaskan Segment of the pipeline.

- Aug 21, 1981 The final Adger-Berman report (authors J. Richard Berman, of the Office of the Federal Inspector, and John B. Adger, of the Federal Energy Regulatory System) on estimated cost of construction of the Alaskan segment of the pipeline, was issued by FERC. The report put the cost at \$6.73 billion, after deferring consideration of \$887 million, rather than the \$8.133 billion estimated by the sponsors. The report was named after the authors.
- Aug 21, 1981 The National Energy Board released its decision on tolls to be charged by Foothills Pipe Lines (Yukon) Ltd. in operation of the Canadian portion of the western leg of the pipeline. The National Energy Board also issued its decision on the final design cost estimates for the western and eastern legs. They disallowed 2% of the total estimates for the western leg through southwestern Alberta and southeastern British Columbia. They disallowed 5% for the eastern leg in Alberta and Saskatchewan.
- Aug 26, 1981 Northwest Alaskan Pipeline Co. submitted a draft report to the Office of the Federal Inspector, reporting the results of ditch blasting tests in Alaska.
- Aug 31, 1981 Pipe ruptured in a pressure test near Castlewood, South Dakota. The section of pipe was cut out and replaced Sept. 1.
- Sept 1, 1981 Alaska's Governor Hammond signed Administrative Order 70 on the management system to monitor the design and construction of the Alaska Natural Gas Transportation System, including the sales gas conditioning facility. This order formally established the State Office of the Pipeline Coordinator as the State's lead agency for monitoring preconstruction and construction of the pipeline.
- Sept 9, 1981 The Dow-Shell Group issued its 10 volume report on the feasibility of building a world-class petrochemical industry in Alaska. The report concluded that world scale industry could be economically feasible in the late 1980s, and would cost between \$8.6 and \$10 billion in 1981 dollars. It included a natural gas liquids pipeline from North Slope to Valdez and Seward. Alaska petrochemical industry feasibility study: a report to the State of Alaska
- Sept 14, 1981 An interagency technical team of State of Alaska departments issued its report, Petrochemical Industry Assessment for the State of Alaska to Governor Hammond. The report looked at potential environmental impacts of petrochemical development.
- Sept 16, 1981 The Governments of Canada and Saskatchewan concluded a Federal/Provincial Agreement providing for consultation and cooperation

in matters concerning Alaska Natural Gas Transportation System construction and planning in the Province.

- Sept 23, 1981 The majority and minority leaders of the jurisdictional House Committees wrote to the President to express their views on the proposed waiver of law.
- Sept 29, 1981 Northwest Alaskan Pipeline Co. released the first in its series of quarterly reports, Gas Pipeline Update, designed to assist Alaskans in planning for the pipeline construction period.
- Oct 1981 The Doyon Plan was released. Doyon proposed to build a pipeline from Delta Junction, which would remove gas liquids from the Alaskan Natural Gas Transportation System pipeline. At Glenallen oil would be added from the TAPS oil pipeline, and the mixture would be shipped to refinery and terminal facilities at Nikishka.
- Oct 1, 1981 Foothills Pipe Lines (Yukon) Ltd. began its Operations and Maintenance Training/Employment Program for Northerners. The program was designed to train people from Yukon Territories and the Mackenzie Valley areas for jobs on the pipeline.
- Oct 1, 1981 The western leg of the pipeline became operational between Caroline, Alberta and Kingsgate, British Columbia
- Oct 1, 1981 Alberta gas started flowing to the U.S. through the prebuild western leg of the pipeline.
- Oct 1, 1981 FERC issued an order approving an amendment to Northwest Alaskan Pipeline Co.'s authorization to import Alberta gas through phase I of the western leg. This was done to reflect the current Canadian border price. The same order accepted Northwest Alaskan Pipeline Co.'s tariff and rate schedule for commencement of service on the western leg.
- Oct 7-8, 1981 Representatives of Northwest Alaskan Pipeline Co., the Office of the Federal Inspector, and others concerned with the project met in Irvine, California, to discuss structural load-deflection criteria for pipeline design and the structural design method to be used to analyze the pipeline.
- Oct 15 1981 President Reagan submitted a waiver package to Congress, revising the financing stipulations made in the President's Decision And Report To Congress in 1977. The major changes requested were inclusion of the gas conditioning plant an intrical part of the project, advanced roll-in of construction costs in prices consumers paid for gas, to allow Prudhoe Bay

gas producers to participate in financing of the project, and to authorize the Federal Energy Regulatory Commission to provide assurances of debt repayment.

- Oct 19, 1981 The Presidents waiver package was introduced in the Senate. Hearings were held October 22-26.
- Oct 21, 1981 The U.S. Congress held hearings on the waiver package submitted by President Reagan.
- Oct 21-Nov 9, 1981 Joint hearings were held by the Subcommittee on Fossil and Synthetic Fuels of the Committee on Energy and Commerce, and the Subcommittee on Energy and the Environment of the Committee on Interior and Insular Affairs, of the House of Representatives, on H.J. Res. 341 providing for a waiver of law pursuant to the Alaska Natural Gas Transportation Act. The committees approved the waiver package. The House Committee Report 97-350 was published in 2 parts: part I on November 30, 1981 and part II on December 3. The report of these hearings were published in 1982.
- Oct 22, 1981 The Office of the Federal Inspector published a policy statement which outlined procedures for auditing and approving costs incurred by the Alaska Natural Gas Transportation System sponsors.
- Oct 22, 1981 Alaska's Governor Hammond testified before the U.S. Senate Committee on Energy and natural Resources in support of the proposed waivers for the Alaska Natural Gas Transportation System.
- Oct 31, 1981 The Office of the Federal Inspector closed its Glasgow, Montana field office.
- Nov 5, 1981 The Northern Pipeline Agency held a public hearing in Rock Mountain House, Alberta, to consider the applications of Foothills Pipe Lines (Alta) Ltd. for additional lands along the pipeline route.
- Nov 10, 1981 The U.S. Senate Energy Committee voted 14 to 1 in favor of the President's waivers. The Senate Committee report containing all prepared statements and testimony of witnesses was published as Publication no. 97-38.
- Nov 12, 1981 The House Interior and Insular Affairs Committee voted 32 to 7 to discharge the waivers to the full House for a vote.
- Nov 13, 1981 The agreement between the Office of the Federal Inspector and the Department of Interior, to use their professional expertise to assure early identification and preservation of archaeological resources along the

eastern and western U.S. legs of the pipeline, was terminated. Joint work continued on the remaining stretch of the eastern leg without the formal agreement.

- Nov 17, 1981 The House Subcommittee on Fossil and Synthetic Fuels (of the Energy and Commerce Committee) voted 12-9 to send the waivers to the full committee for a vote.
- Nov 19, 1981 The U.S. Senate passed the waiver package by a vote of 75-19.
- Nov 20, 1981 In response to the Adger-Berman Report, Alaska Northwest Natural Gas Transportation Co. filed 7 volumes of revised cost figures with the Federal Energy Regulatory Commission. FERC reconvened on December 9 to consider the amended application.
- Nov 25, 1981 Commonwealth North released its report Moving North Slope Gas to Market: A Positive Alternative for the Nation. They said that if ANGTS failed to find financing that the State of Alaska should take the leadership in fostering and building a high pressure pipeline along the general rout of the El Paso proposal, for shipping LNG to the Pacific Rim countries. Walter Hickel was a major member in this non-profit organization. He later submitted the TAGS Route Proposal, under the Yukon Pacific Corporation. He was chairman of Yukon Pacific.
- Dec 1981 Governor Hammond formed the "Governors Task Force on State of Alaskan Participation in Financing Alaskan Segment of ANGTS". The task force was to be headed by John Katz (Natural Resources Commissioner) and would consider the possible involvement of the State in financing ANGTS. On January 8, 1982 they selected Kidder Peabody & Co. to provide financial advisory services.
- Dec 2, 1981 *Alaska from the Inside* reported that Walter Hickel and Commonwealth North called for state political and financial support of an all-Alaska gas line if the Alaska Highway Gas Pipeline Project failed. The project called for a high-pressure gas pipeline (2,100 psi) to be built parallel to the trans-Alaska oil pipeline. The gas line could carry both dry gas, and gas liquids to an ice-free Alaska port, eliminating the need for an expensive conditioning plant on the North Slope, and virtually ensuring an in-state petrochemical industry. Former Alaska Governor Walter Hickel was co-chairman of Commonwealth North's board of directors.
- Dec 3, 1981 The National Petroleum Council released a report stating that the unrecovered oil reserves in Alaska were 30% higher than previously estimated. Their most recent study estimated Alaska's reserves in excess of 24 billion barrels.

- Dec 9, 1981 The Canadian Oil and Gas Act (Bill C-48) passed the House of Commons. This Bill defined the Canadian Government's approach to Petroleum development in the Canadian arctic and arctic offshore areas.
- Dec 9,1981 The Federal Energy Commission issued a notice of the revised application submitted by Alaskan Northwest Consortium, and reconvened the technical conferences in Docket no. CP-80-435, to consider the amended applications.
- Dec 9,1981 The U.S. House passed the Waiver package by a vote of 233 to 173. (PL 97-93)
- Dec 10, 1981 Due to a procedural technicality the December 9 House vote was invalidated. The waiver package passed again on a revote, 230-188. (PL 97-93)
- Dec 11, 1981 The Office of the Federal Inspector awarded a contract to Systems Development Corporation (SDC) for an information management system.
- Dec 15,1981 Senate Joint Resolution 115 was transmitted to President Reagan, and he signed it into law. (PL 97-93) This resolution contained the revised waivers package sent by the President to Congress October 15.
- Dec 15, 1981 The Office of the Federal Inspector published its final regulations on information gathering, treatment of sensitive and proprietary documents, and processing Freedom of Information Act requests, in the Federal Register.
- Dec 19, 1981 The Federal Energy Regulatory Commission issued an order delegating the authority to review and approve ANGTS costs, to the Office of the Federal Inspector. This order became effective Dec. 29, 1981, when it was published in the Federal Register.
- Dec 21, 1981 Northwest Alaskan Pipeline Co. issued RFPs on turbine-compressors and main power generators for the North Slope gas conditioning facility.
- Dec 31,1981 The Alaska Northwest Natural Gas Transportation Co. filed an application with the Federal Energy Regulatory Commission for a Certificate of Convenience and Necessity to construct the North Slope gas conditioning plant. Their estimated cost for the plant was \$4 billion in 1981 dollars.