

AIDE-MEMOIRE

In its aide-memoire of February 28, 1979 the US Government requested an expression of Canadian views and preferences regarding various proposals for transporting Alaskan and other crude oil to the US Northern Tier and other inland states. This information was requested pursuant to US legislation, Title V of the Public Utilities Regulatory Act of 1978, which empowers the President to approve a delivery system and provides for expeditious processing of all applications for such systems.

The Canadian Government cannot, of course, make any final decisions until completion of National Energy Board consideration of the applications now before it, on which hearings are scheduled to commence on October 2, 1979.

As the US Government will be aware, a major pre-occupation of the Canadian Government is the environmental risk associated with crude-carrying tanker traffic off the West Coast of Canada and into the waters of Juan de Fuca Strait and Puget Sound. This concern relates to the current levels of such traffic as well as to the prospect of its increase resulting either from increased Alaskan or increased off-shore crude. The Canadian Government's objective, therefore, must be to minimize the risk of environmental damage on the West Coast from oil tanker traffic and to seek means whereby current risks, including those in the sensitive inner waters of Juan de Fuca Strait and Puget Sound, may if possible be reduced.

With these considerations in mind, the Canadian Government strongly opposes the Kitimat option and has a clear preference for the Foothills overland option because it would reduce the number of tankers travelling along the West Coast.