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Energy Board favours Foothills (Yukon) for Alaska gas pipeline

Construction of a 48-inch diameter pipeline along the Alaska Highway to transport Mackenzie Delta natural gas from Alaska to southern Canada for markets in the United States has been recommended by the National Energy Board in a report issued on July 4.

The Board is in favour of the application made by Foothills (Yukon) Ltd., a relatively small company, over that of several others including the Arctic Gas Pipeline Ltd., a consortium of 15 major companies that had proposed to build a pipeline along the Mackenzie River.

While economic benefits for Canada might be greater from a pipeline built along the Mackenzie Valley, the social and environmental costs this would impose ruled in favour of a route along the Alaska Highway, stated the report. Construction would provide a major opportunity for Canadian industry and the Foothills (Yukon) proposal included a stronger commitment for Canadian content than that of the Canadian Arctic Gas Pipeline for a line down the Mackenzie Valley.

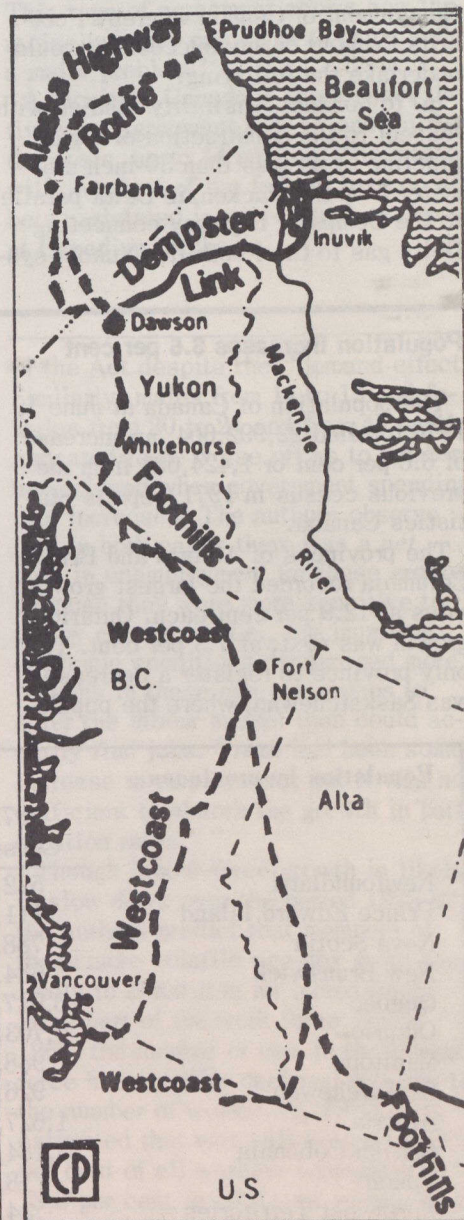
Energy, Mines and Resources Minister Alastair Gillespie said the Government would consider the report of the National Energy Board "very carefully, along with the Berger Commission report (see Canada Weekly, P. 1, dated May 25, 1977), the Lysyk Commission report and other studies being undertaken into aspects of pipeline construction".

The total cost of Foothills' proposal is estimated at some \$8 billion, including a diversion to bring gas from the Canadian western Arctic to a junction at Dawson City. The Board estimates that some 7,800 jobs would be created while the three- to four-year construction was under way, as well as over 2,000 jobs directly connected to the project.

It was in February this year that Foothills (Yukon) proposed the construction of an "express line" through the Yukon, and generally along existing routes in northern British Columbia and Alberta, plus a new line parallel to the existing Alberta Natural Gas

route in southeastern British Columbia.

While the Foothills (Yukon) project "generally offers the preferred route for transporting Alaska gas to markets in the lower 48 states," states the National Energy Board, it believes that "certain changes to the project as applied for are desirable in the Canadian public interest". The Board is recommending to the Governor in Council that approval be withheld until the fol-



Dotted lines indicate recommended routes.

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