

dred miles — and enormously expensive. The construction of any would involve significant problems of environment, economics, technology and what might be termed social engineering.

Two factors encouraged the building of pipelines. Both countries have a continuing and rising need for energy, and both have large but as yet untouched reservoirs in the western Arctic. Interest first focussed on oil. It culminated in a project to move crude oil from Prudhoe Bay through a 789-mile, forty-eight-inch pipeline to Valdez on the southern coast of Alaska and then by tanker to the "lower 48" states. (The oil began flowing through the completed pipeline this summer.)

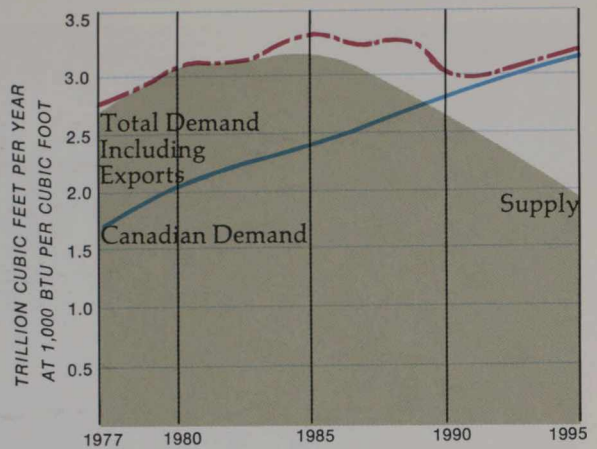
Between 1967 and 1969 a number of Canadian and United States companies began studying methods for moving Arctic gas to US markets. One study, initiated by Alberta Gas Trunk Line, resulted in a plan to build a 1,550-mile pipeline from Prudhoe Bay to Grande Prairie, Alberta. The plan — known as the Gas Arctic Project — acquired six sponsors, some from Canada and some from the US. In 1972 the sponsors of the Gas Arctic Project joined the six sponsors of a plan known as the Northwest Project to form Canadian Arctic Gas Studies Limited (CAGSL). By early 1973, CAGSL had twenty-five members; and in 1974, as Canadian Arctic Gas Pipeline Limited (CAGPL), it applied to Canada's National Energy Board for authority to build a pipeline to move Alaskan and Canadian Arctic gas to US and Canadian markets.

That same year Canada and the United States began negotiations for a pipeline treaty — one which would guarantee uninterrupted transmission and nondiscriminatory treatment for hydrocarbons in transit across either country. It was signed in Washington last January and approved by the US Senate this summer.

The CAGPL application was the first of several. In 1975, Alberta Gas Trunk Line (which had withdrawn from the CAGPL group) joined with another Canadian company, Westcoast Transmission, and applied to the National Energy Board for a certificate to build a pipeline to move Canadian gas down the Mackenzie Valley. This proposal became known as the Maple Leaf project, and the association of companies was called Foothills Pipe Lines Limited.

Foothills Pipe Lines filed an application for authority to move Alaskan gas across the southern Yukon and British Columbia to the US in 1976 and amended it a number of times during the first half of 1977. This is known as the Foothills (Yukon) or the Alaska Highway Project. The US portion, sponsored by Northwest Pipeline, is called the Alcan Project.

All projects required the resolution of complex questions; and in March 1974, the Canadian govern-



### Gas Supply and Demand Balance for Conventional Producing Areas

The National Energy Board's "Most Likely" Forecast

Source: National Energy Board, *Reasons for Decision: Northern Pipelines*, Volume I, p. 76.

ernment established a Royal Commission of Inquiry, headed by Mr. Justice Thomas R. Berger, to examine the socioeconomic and environmental impacts of a northern pipeline and to suggest conditions governing the granting of a right of way across crown lands in the upper Yukon and Northwest Territories for a Mackenzie Valley pipeline.

In early 1977, to complement the study by Justice Berger, the government named two new boards of inquiry, one headed by Dean Lysyk and one by Dr. Hill, to inquire into the probable socioeconomic and environmental impact associated with a pipeline constructed across the southern Yukon. The specific focus of attention was the Foothills (Yukon) project which had not been reviewed in detail by Justice Berger.

Meanwhile, the National Energy Board had begun its own hearings before a three-member panel, headed by Vice-Chairman J. G. Stabback.

Last May, Justice Berger published the first volume of his report on the Mackenzie Valley proposals. On July 4, the National Energy Board announced its conclusions. On July 27, the Hill panel filed its report on the Foothills (Yukon) proposals. The Lysyk inquiry followed with its report on August 2. A precis of the second volume of the Berger report and a government statement on northern affairs were also released. The entire issue was debated in a special session of the Canadian Parliament on August 4 and 5, and on August 8, the Cabinet announced the results of its review.

Meanwhile the US government was also considering pipeline proposals. The Alaskan Natural Gas Transportation Act of 1976 requires the President to submit an initial route selection to the Congress by September 1 (or ninety days thereafter) and provides for a sixty-day period for congressional review.