



# AHAPC

## Alaska Highway Aboriginal Pipeline Coalition

# AHAPC Advisor

Volume 1, Issue 1 • Winter 2008

## MESSAGE FROM THE CHAIR



It is with great enthusiasm that I introduce the first issue of the Alaska Highway Aboriginal Pipeline Coalition (AHAPC) newsletter. From this publication, you will hopefully gain an appreciation and understanding for what the AHAPC is trying to accomplish for the common benefit of our First Nation members.

First Nation governments have a strong influence on how an Alaska Highway gas pipeline project will unfold in the Yukon. There is currently no project. Nevertheless, the AHAPC exists to help empower First Nations with

knowledge and understanding on the proposed project so that each First Nation will be able to fully participate in and make informed decisions about the project, when, and if, it proceeds.

The notion of shipping Alaska's North Slope natural gas to southern markets via an Alaska Highway pipeline stems back to the early 1970s. The current political and commercial status of the project revolves around the new Alaska Gasline Inducement Act, which has once again focused dialogue on the project. In this newsletter, you will learn about the project's thirty-year history and the two major competitors who are currently proposing to build a pipeline.

An Alaska Highway pipeline project would generate various impacts and benefits to Yukon First Nations over the short- and long-term. The planning, regulatory and construction project phases would span a period of approximately ten-years, while the operations and reclamation phases would span over an estimated period of thirty years or more.

The AHAPC is working on several initiatives to help its members prepare for a proposed project. The first is a series of workshops that aim to identify the opportunities and impacts of a pipeline project and strategies to maximize community benefits. The second is a document library of pipeline and related information readily accessible to AHAPC members through our up-coming web site and at our office in Whitehorse. Thirdly, the AHAPC is conducting research on past and current pipeline data with the goal of sharing best practices, as well as producing discussion papers and impact assessment tools for communities.

The AHAPC is as strong as its members. To this end, the AHAPC is working on improving its communication with communities, beginning with Chief and Council and departmental meetings, followed by engaging with community citizens at-large. The AHAPC newsletter and up-coming web site will also help us stay connected with our members as well as industry and the Government of Yukon and Canada partners.

Through the guidance of its Board of Directors, the AHAPC will continue to gain credibility with its members and partners as a conduit to communities for information on Alaska Highway gas pipeline project developments, for the common benefit of Yukon First Nations.

I encourage and welcome your comments.

*Chief Ruth Massie*

*AHAPC Chair*

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## ABOUT AHAPC

The AHAPC is a conduit for streamlining and managing information flow to its First Nation members on Alaska Highway gas pipeline project developments. The mandate of the AHAPC is to help First Nations prepare for meaningful engagement with industry and the Government of Yukon and Canada on the project. The objectives of the AHAPC are to:

- facilitate discussions between the First Nations and governments and industry partners; and
- provide technical and legal support to the First Nations in their respective consultations and negotiations with partners.

Since its inception in 2004 as a non-profit society, the AHAPC has come a long way. The AHAPC has gained credibility with its industry and government partners. The AHAPC is recognized as the initial point-of-contact with First Nations on Alaska Highway pipeline-related communication. Furthermore, AHAPC funding from industry and government partners has almost doubled in the past year for initiatives such as workshops, research, a web site, and a newsletter.

The AHAPC Operations Plan was developed in 2003 and defines the role of the AHAPC throughout the various stages of a pipeline project including: pre-Alaska state legislative approval, regulatory review and approval, as well as construction and maintenance. The Operations Plan also identified potential funding partners and

defined the organizational structure of the AHAPC, including: a Board of Directors, Executive Council, and staff. The Operations Plan continues to guide the activities of the AHAPC.

Eligible members are any Yukon First Nation whose territory will be crossed by the right-of-way proposed for an Alaska Highway pipeline project. Members have been accepted as such by the Board of Directors and have agreed to work with the AHAPC in preparation for a pipeline project through a Cooperation Protocol.

The AHAPC Cooperation Protocol sets out the matters of issue to the First Nations and how the AHAPC would facilitate and coordinate efforts to address these matters. AHAPC members confirmed their commitment to work together to ensure that the Alaska Highway pipeline:

- does not compromise the integrity of the environment, lands and resources of their traditional territories;
- maximizes to their citizens and businesses any and all of the economic and business opportunities and benefits;
- addresses the sharing of tax revenue;
- incorporates the establishment and administration of employment and training programs, and
- considers the delivery of new or enhanced governmental programs, including social, health, employment, training and policing services that may be required as a result of the proposed pipeline.

AHAPC observers are eligible to become members but have yet to make a request to the board for member status. All other First Nations, as well as AHAPC partners and other key stakeholders, are invited to be involved in the AHAPC as general participants.

Industry and government partners contribute to the AHAPC through funding, technical and other in-kind support. AHAPC partners include:

- Government of Yukon
- Government of Canada
- BP Canada Energy Company
- ConocoPhillips Canada
- Enbridge Inc.
- Exxon Mobil Canada
- TransCanada Pipelines Ltd.

### AHAPC Members & Observers:

- Carcross/Tagish First Nation (Director, George Shepherd)
- Champagne and Aishihik First Nations (Director, Chief Diane Strand)
- Ta'an Kwach'an Council (Director and Chair, Chief Ruth Massie)
- Kwanlin Dun First Nation (Director, Bill Webber)
- Liard First Nation (Director, Chief Liard McMillan)
- Kaska Dena Council (Director, Bill Lux)
- Teslin Tlingit Council (Observer)
- Kluane First Nation (Observer)
- Council for Yukon First Nations (Observer)

# PIPELINE PROJECT

For more than 30 years, an Alaska Highway gas pipeline project has been the subject of periodic intense public interest. Despite the growing North American demand for natural gas, the project continues to present high financial risks to participants with its complexity, size, cost and long development time commitment. An Alaska gas pipeline is, however, still seen as viable. If built, it is expected to bring approximately 35 trillion cubic feet of proven natural gas reserves from Alaska's North Slope basins, primarily to southern markets in the lower 48 US states.

## A BRIEF HISTORY OF AN ALASKA GAS PIPELINE

The notion of an Alaska gas pipeline project originated from the 1973 Organization of Petroleum Exporting Countries (OPEC) energy crisis and North American security concerns. As a result, the Alaska Natural Gas Transportation System (ANGTS), a pipeline mega-project, was approved in the late 1970s, pursuant to the 1976 Alaska Natural Gas Transportation Act in the US, and the 1978 Northern Pipeline Act in Canada.

As an international project, the ANGTS is also governed by two 1977 international agreements between the US and Canada. The first is the Transit Pipeline Treaty, which applies to all pipelines in both the US and Canada whenever one country's pipeline carries the other country's gas or oil. The second is the Agreement on Principles Applicable to a Northern Natural Gas Pipeline, which specifies the route of the ANGTS and contains numerous conditions.

The ANGTS was originally intended to transport Alaskan North Slope and Mackenzie Delta natural gas to southern markets. The US portion of the ANGTS is comprised of three segments: 1) the Alaska segment, from Prudhoe Bay on the Alaskan North Slope to the Yukon border; 2) the Western Leg, from the BC border to California; and 3) the Eastern Leg (Northern Border Pipeline), from the Saskatchewan border to Illinois. The Canadian portion of the ANGTS is also comprised of three segments: 1) the segment along the Alaska Highway through Yukon, northern BC and into the Alberta gas hub (Alaska Highway Gas Pipeline), 2) the Western Leg, from the Alberta hub to the US border (on to California), and 3) the Eastern Leg, from the Alberta hub to the US border (on to Illinois). The ANGTS is also designed to accommodate the receipt and onward delivery of northern Canadian gas via a connecting pipeline from the Mackenzie Delta.

Foothills [Yukon] Ltd. (now owned by TransCanada Corp) was granted certificates of public convenience and necessity to build and operate the Canadian portion of the ANGTS.



Proposed Alaska Highway gas pipeline route. Source: Yukon Government.

The Western and Eastern legs, referred to as the Phase I "Pre-build", are the only segments of the ANGTS that have been built to-date. In 1980, Foothills obtained approval from the National Energy Board of Canada to construct the Canadian portion of the Pre-build – a 1,250 km long pipeline system. At the time, it was thought that the completion of Phase I would be followed by Phase II, the northern segments of the ANGTS. For a variety of unfavourable market conditions, however, Phase II was never built and has been delayed indefinitely. The Pre-build went into operation in 1981-82 and has since been expanded five times to increase gas "throughput" capacity.

Approximately one-third of all Canadian gas exports to the US are via the Pre-build.





In 2001, following a 20-year hiatus in the project, the state of Alaska and the three major North Slope leaseholders, BP, Conoco Phillips, and Exxon Mobil (known collectively as the “Producers”), initiated discussions to move forward with the project. The Producers completed a US\$125 million project feasibility study, followed by a comprehensive risk analysis. In 2004, the US Congress passed the Alaska Natural Gas Pipeline Act, a law providing incentives for a gas pipeline including US\$18 billion in construction loan guarantees.

In 2006, under the Stranded Gas Development Act, the state of Alaska reached an agreement with the Producers to extract gas from the North Slope. Although the agreement did not guarantee the construction of a pipeline, it proposed to exempt the Producers from taxes and royalties at the state and municipal levels in exchange for a 45 year schedule of fixed payments by the Producers. The agreement



ConocoPhillips-operated Alpine oil development. The image represents a modern Arctic production facility. Source: © 2008, ConocoPhillips Alaska Inc.

did not reach the state legislature because lawmakers found the terms to be too generous to the Producers.

In 2007, the state of Alaska passed the Alaska Gasline Inducement Act (AGIA), which is intended to provide incentives to the Producers and shippers to build an Alaska gas pipeline. In January 2008, the state of Alaska announced that TransCanada Corp., one of five AGIA applicants, met all of the AGIA mandatory requirements. The requirements reflect a balance between maximizing benefits to Alaskans and moving North Slope gas to the lower 48 US states.

At the same time, ConocoPhillips submitted an “alternative” Alaska

Highway gas pipeline project plan to the state of Alaska outside the AGIA process. ConocoPhillips submitted their proposal outside AGIA because they view the law as unfair to their interests, specifically in the lack of clarity on how gas will be taxed long-term before a pipeline is built. ConocoPhillips has been unsuccessful to-date in engaging the state of Alaska in their proposal and is therefore re-evaluating its next steps.

TransCanada’s AGIA application is now in a public review phase that ends March 6, 2008. Following that review process, state commissioners will forward their recommendation for a single licensee to the state legislature, which will then have two months to decide whether to approve the commissioners’ proposed recommendation. An AGIA license does not guarantee the construction of a pipeline.

**It remains to be seen how, or if, an Alaska Highway gas pipeline project will ultimately proceed. In the meantime, TransCanada and ConocoPhillips’ proposals have once again focused dialogue around tangible project plans.**

The AGIA applications and state rejection letters are available at [www.gov.state.ak.us/agia](http://www.gov.state.ak.us/agia).

TransCanada’s application is available at [www.gov.state.ak.us/agia](http://www.gov.state.ak.us/agia).

ConocoPhillips’ application is available at [www.ansnaturalgaspipeline.com](http://www.ansnaturalgaspipeline.com).

**See our Spring 2008 Newsletter for a complete analysis of the two proposals including their history and implications for Yukon First Nations.**

## **A AHAPC WORKSHOPS**

In April 2007, the AHAPC and its government and industry partners convened 40 delegates in Whitehorse for an Introductory Workshop that reinforced the support for helping Yukon First Nations prepare for a proposed Alaska Highway gas pipeline project. The workshop also identified the need to improve the information sharing process with First Nation communities, and deliver future workshops focused on environmental, Traditional Knowledge, regulatory and legal, and socio-economic issues affecting Yukon First Nations.

### **Topic I Workshop on Employment, Training & Business Opportunities**

On November 20-21, 2007, the AHAPC and its partners convened 40 delegates in Whitehorse for a Topic I Workshop on the employment, training and business opportunities, challenges and proposed solutions to those challenges related to an Alaska Highway pipeline project.

A workshop report is expected in early March 2008. The report will provide a basis for actions on pipeline employment training and business opportunities in the Yukon.

Most of the recommendations from the workshop indicated that First Nation communities do not need to wait for a pipeline project to begin planning for community benefits, since many of the opportunities and challenges raised were applicable to most major development projects. Most of the employment and contract business opportunities reside within the approximate five-year construction phase of the project. What is needed are transferable skills-training for careers in the pipeline and related industries.

### **Summary of Workshop Recommendations:**

#### **I. Improve communication and collaboration within First Nations and between partners:**

- share best practices and challenges;
- address industry's negative legacy;
- create a one-stop job bank;
- take inventory of skills, jobs and community interests;
- increase knowledge about Yukon First Nations final self-government agreements;

- separate business and politics;
- create balanced and equitable opportunities.

#### **2. Improve awareness at the community level:**

- enhance awareness in potential business;
- create training and employment opportunities;
- share best practices in Impact and Benefit / Participation Agreements;
- enhance awareness in drug and alcohol prevention and testing requirements.

#### **3. Undertake training for success:**

- through mentorship, job-shadowing, train-the-trainer, culturally sensitive, innovative and customized programs/curriculum;
- improve labour mobility and skills transferability;
- keep expectations real;
- focus on youth, career mapping and soft skills development ("velcro" to higher learning);
- support job/career fairs.

#### **4. Undertake community economic development planning:**

- plan for short and long term development projects;
- address the competition within First Nations and labour force siphoning from one employer to another;
- establish success indicators.

#### **5. Foster small business development:**

- strengthen knowledge in contract bidding and entrepreneurship.

The workshop also identified potential champions to carry forward the recommendations.

### **Topic II Workshop on Environmental and Cultural Impact Assessment**

On April 1-2, 2008, the AHAPC and its partners plan to deliver a workshop in Whitehorse that will explore the potential impacts a pipeline project may have on the biophysical, archaeological and traditional environment, and the mitigation and monitoring mechanisms necessary to address those impacts. Contact [ahapc@northwestel.net](mailto:ahapc@northwestel.net) for more information.





## **B RESEARCH AND DOCUMENT LIBRARY**

The AHAPC has a leadership role in building partnerships, researching and communicating information on an Alaska Highway pipeline project to its members. That role has prompted the development of an AHAPC one-stop document library; a comprehensive and updated compilation of documents on pipeline and related information. The library will be accessible at the AHAPC office in Whitehorse and on-line at the AHAPC up-coming web site.

The AHAPC is also embarking on research of past and current pipeline and related data for the purpose of sharing best practices and challenges, and generating discussion papers and impact assessment tools for communities. The AHAPC can learn from the numerous and valuable documents from the past thirty years, as well as recent outcomes from AHAPC workshops and case studies on pipeline impacts on First Nations.

One of the first tools to be produced will be a matrix for scoping pipeline effects on First Nation communities. That tool will hopefully identify priority areas specific to each community, which can then be incorporated into sustainable community plans.



A typical gas pipeline winter construction right of way.

Source: November 2007 AHAPC Workshop - Industry presentation

## **RECENT PUBLICATIONS OF INTEREST**

### **Alcohol and Drug Policy Model - for the Canadian Upstream Petroleum Industry**

Enform is the training, certification and health and safety services arm of the upstream (exploration, development, production) petroleum industry in Canada. Enform has released a policy model and associated guides to help employers manage and reduce risks associated with alcohol and drug use in the workplace. The document is available at [www.enform.ca/1011](http://www.enform.ca/1011).

### **Consultation with the Crown: A Guide for First Nations**

The Centre for Indigenous Environmental Resources (CIER) in Winnipeg published the guide to help First Nation communities to more effectively engage in consultations with the Crown, and ultimately as a tool to protect their rights and interests. The guide and more information are available at [www.cier.ca](http://www.cier.ca).

### **Alaska North Slope Oil and Gas: A Promising Future or an Area in Decline?**

In August 2007, the US Department of Energy's Office of Fossil Energy released a report that examines the potential for Arctic Alaska to remain a major contributor to the energy supply under different development scenarios. The report is available at [www.netl.doe.gov/publications](http://www.netl.doe.gov/publications).

### **Job Descriptions for Pipeline Construction Yukon Section – Alaska Highway Pipeline Project**

In April 2007, TransCanada produced a review of occupations typically in the construction phase of a natural gas pipeline project. Occupations reviewed include labourers, teamsters, fitters, operators and supervisors. For copies, contact Dan Begley at [daniel\\_begley@transcanada.com](mailto:daniel_begley@transcanada.com).

### **Natural Gas Pipeline Fundamentals – Aboriginal Pipeline Coalition Presentation**

In January 2006, Enbridge produced an instructional presentation for the AHAPC, introducing the fundamental concepts in natural gas pipeline design and operation for those not familiar with the industry. For copies, contact Ron Brintnell at [ron.brintnell@enbridge.com](mailto:ron.brintnell@enbridge.com).

# CALENDAR OF EVENTS

February 2008	
<b>Feb 21<sup>st</sup></b>	<b>Businesss After Hours</b> , High Country Inn, Whitehorse (5-7 pm) Learn more about the Yukon Mine Training Association and how it can assist with your training needs. RSVP: Whitehorse Chamber of Commerce (867) 667-7545.
<b>Feb 26<sup>th</sup> - 27<sup>th</sup></b>	<b>Western Aboriginal Consultation for Industry Conference</b> , Edmonton. <a href="http://www.CanadianInstitute.com">www.CanadianInstitute.com</a>
<b>Feb 27<sup>th</sup> - 28<sup>th</sup></b>	<b>North American Pipeline Expansion Conference</b> , Calgary. <a href="http://www.CanadianInstitute.com">www.CanadianInstitute.com</a>
<b>Feb 28<sup>th</sup></b>	<b>Yukon Mine Training Association Funding Workshop</b> , Westmark, Whitehorse (9 am - 4 pm). This workshop will highlight programs underway and how to work together to develop mine training. To register, contact Tara Roberts at <a href="mailto:tara@yukonminetraining.com">tara@yukonminetraining.com</a> or call (867) 633-6463.
<b>Feb 28<sup>th</sup> - 29<sup>th</sup></b>	<b>Cultural Impact Assessment: Beyond the Biophysical Conference</b> , Yellowknife. Hosted by the NWT Region of the International Association for Impact Assessment (Western and Northern Canada Affiliate), the conference addresses the challenging task of evaluating impacts on culture, and bringing cultural issues into environmental impact assessment. Contact <a href="http://www.iaia-wnc.ca">www.iaia-wnc.ca</a> to register.
March 2008	
<b>Mar 4<sup>th</sup> - 5<sup>th</sup></b>	<b>Northern Communications Conference</b> , Whitehorse. For more information: <a href="http://www.nconference2008.ca">www.nconference2008.ca</a>
<b>Mar 5<sup>th</sup> - 6<sup>th</sup></b>	<b>Arctic Gas Symposium</b> , Calgary. For more information: <a href="http://www.CanadianInstitute.com/arctic">www.CanadianInstitute.com/arctic</a>
<b>Mar 17<sup>th</sup> - Apr 18<sup>th</sup></b>	<b>Environmental Monitor Technician Training</b> , Whitehorse. Presented by Building Environmental Aboriginal Human Resources and the Yukon Mine Training Association. To register, contact Tara Roberts at <a href="mailto:tara@yukonminetraining.com">tara@yukonminetraining.com</a> or call (867) 633-6463.
<b>Mar 26<sup>th</sup> - 29<sup>th</sup></b>	<b>Economic Development Conference</b> , Whitehorse. Presented by the Yukon First Nations Labour Market Partnership. For more information, contact Rachael Lewis: <a href="mailto:rlewis@rlrmgroup.com">rlewis@rlrmgroup.com</a>
April 2008	
<b>Apr 1<sup>st</sup> - 2<sup>nd</sup></b>	<b>Environmental and Cultural Impact Assessment Workshop</b> , Whitehorse. Hosted by the AHAPC, the workshop will explore the potential biophysical, archaeological and traditional environment impacts and mitigation measures related to an Alaska Highway gas pipeline project. Contact <a href="mailto:ahapc@northwestel.net">ahapc@northwestel.net</a> for more information.
<b>Apr 16<sup>th</sup> - 17<sup>th</sup></b>	<b>Obtaining Project Approvals North of 60 Conference</b> , Vancouver. For more information: <a href="http://www.CanadianInstitute.com">www.CanadianInstitute.com</a>
<b>Apr 20<sup>th</sup> - 25<sup>th</sup></b>	<b>Aboriginal Leadership and Management Development Program</b> , Banff Centre. The program provides critical skills leaders and managers need to succeed and prosper through hands-on techniques. For more information: <a href="http://www.banffcentre.ca/departments/leadership/aboriginal">www.banffcentre.ca/departments/leadership/aboriginal</a>
<b>Apr 21<sup>st</sup> - 23<sup>rd</sup></b>	<b>Engaging Aboriginal Communities in Natural Resource Management Conference</b> , Red Deer, AB. Presented by the Alberta Society of Professional Biologists, the conference aims to better understand the range of opportunities and methods of effectively including Aboriginal people so that their issues and concerns are both considered and accommodated during planning processes and Natural Resource Management. For more information: <a href="http://www.aspb.ab.ca">www.aspb.ab.ca</a>

## CONTACT US

We want to hear from you. If you have any comments or questions on this publication or any other related information, please contact Claudia Riveros, AHAPC Operations Leader at:

102 Gold Road, P.O. Box 31099

Tel (867) 456-7314 • Fax (867) 456-4328

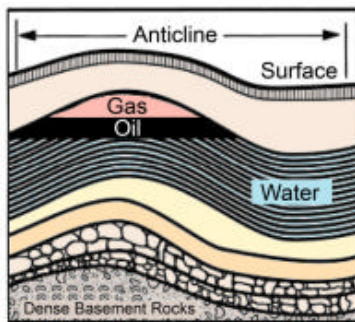
Email: [ahapc@northwestel.net](mailto:ahapc@northwestel.net)

**Web site is coming soon!**

## DID YOU KNOW?

### Oil and Gas contain Hydrocarbons (Hydrogen atoms + Carbon atoms)

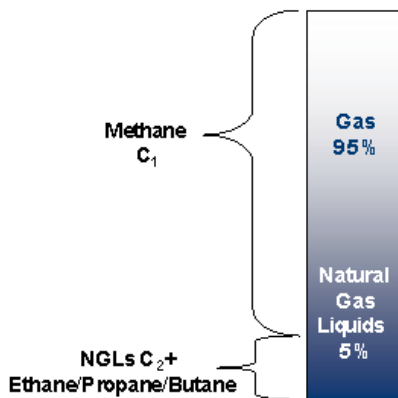
Hydrocarbons are mixtures ranging from 100% coal (solid), to 100% oil (liquid), to 100% natural gas (gas), or combinations thereof.



### Associated Gas

### Natural Gas is a Mixture

Natural gas is a catch-all term for mixtures of gaseous hydrocarbons containing methane, ethane, propane and butane.



Source: Natural Gas Pipeline Fundamentals - AHAPC Presentation, 2006. Enbridge Inc.

## ACKNOWLEDGEMENTS

The AHAPC would like to thank all of those who contributed to this publication; to the AHAPC members for their guidance and AHAPC partners for their financial, technical and other in-kind contributions.

## JOB POSTINGS

AHAPC is seeking candidates to fill the following two part-time positions:

### Office Manager

The Office Manager is a highly motivated and meticulous individual who provides administrative and technical support to the Operations Leader.

The Office Manager is experienced in office administration and financial management and has the ability to maintain the AHAPC web-site and library of documents.

The Office Manager has the opportunity to be mentored into the Operations Leader position.

### Researcher

The Researcher is an innovative thinker who conducts research of pipeline and related literature for the purpose of sharing best practices and generating discussion papers and impact assessment tools.

The Researcher has experience in methodically researching, compiling, synthesizing, organizing and communicating technical information, both orally and in writing. The Researcher has excellent technical writing skills.

**Please submit resumes by March 3<sup>rd</sup>, 2008, to:**  
**Alaska Highway Aboriginal Pipeline Coalition**  
**P.O. Box 31099,**  
**Whitehorse, YT**  
**Y1A 5P7**  
**Tel (867) 456-7314**  
**Fax (867) 456-4328**  
**E-mail: [ahapc@northwestel.net](mailto:ahapc@northwestel.net)**