

Canadian Embassy



Ambassade du Canada

501 Pennsylvania Ave. N.W.
Washington, D.C. 20001

February 19, 1992

Mr. Michael J. Bayer
Federal Inspector
for the Alaska Natural Gas
Transportation System
Department of Energy
Room 3G-064
1000 Independence Ave. S.W.
Washington, D.C. 20585

Dear Mr. Bayer,

Attached for your information is a copy of a
diplomatic note delivered to the Department of State on
February 18, 1992 regarding the recent report to the President
by the Office of the Federal Inspector.

Yours sincerely,

Margaret Martin
Counsellor (Energy)

Att.



No. 026

The Embassy of Canada presents its compliments to the Department of State and has the honour to draw to the Department's attention certain recommendations made to the President of the United States by the Federal Inspector of the Alaska Natural Gas Transportation System in his Report on the Construction of the Alaska Gas Transportation System dated January 14, 1992.

Among the Federal Inspector's ten recommendations are six that are relevant to Canada:

- repeal the Alaska Natural Gas Transportation Act;
- eliminate the exclusive ANGTS route to transport Alaska North Slope gas to the Lower 48;
- eliminate the ANGTS project sponsors' unique legal monopoly status;
- withdraw the President's Decision and Report, rescind Executive Order 12142 and withdraw Reorganization Plan No. 1 of 1979;
- terminate the 1977 Agreement of Principles with Canada;
- terminate the 1980 Procurement Procedures Agreement with Canada.

The Canadian Government expects that the United States will continue to honour its obligations under the 1977 Agreement of Principles and subsequent assurances given to the Government of Canada with respect to the pipeline. Any action giving effect to the above-noted recommendations would be contrary to the obligations of the United States and would not be acceptable to Canada.

The Embassy of Canada avails itself of this opportunity to renew to the Department of State the assurances of its highest consideration.

Washington, D.C.

14 February 1992

