

Minister  
of Natural Resources



Ministre  
des Ressources naturelles

Ottawa, Canada K1A 0E4

**MAR - 5 2006**

Governor Sarah Palin  
Office of the Governor  
State of Alaska  
550 West 7<sup>th</sup> Avenue, Suite 1700  
Anchorage, Alaska 99501  
UNITED STATES OF AMERICA

Dear Governor Palin:

I am writing to you in support of the bid by TransCanada Alaska Company / Foothills Pipe Lines for an Alaska Highway natural gas pipeline project under the *Alaska Gasline Inducement Act* (AGIA) process.

A natural gas pipeline through Alaska and Canada is the ideal method to commercialize North Slope gas and will bring benefits to the State of Alaska, Canada and the integrated North American natural gas marketplace. North Slope gas will increase domestic natural gas supply and energy security, and moderate natural gas prices.

The Government of Canada believes that an Alaska Highway project will offer many economic opportunities for Alaskans, northern Canadians and the North American economy. TransCanada's project has the advantage of utilizing existing North American infrastructure in delivering Alaska gas. This promises economic benefits for Alaskan shippers as well as for the existing producers in southern supply basins.

For its part, the Government is continuing with its preparations for an Alaska project. We are cognizant of the need for an efficient and effective review processes that can match the time lines of a parallel process by the Federal Energy Regulatory Commission and are doing the design work to accomplish this.

A current government focus is on engaging Aboriginal groups along the Alaska Highway pipeline route. We have, for example, participated with industry and the territorial government in workshops for First Nations hosted by the Aboriginal Pipeline Coalition in the Yukon. The Government has also agreed to take part in the gaps analysis and readiness exercise being conducted by the U.S. Federal Coordinator for Alaska Natural Gas Transportation Projects, Ms. Drue Pearce.

Canada

- 2 -

We are actively monitoring the AGIA process and look forward to an outcome in the near future. Our efforts to plan and prepare for a pipeline project will grow as project development and certainty increases.

I wish you success with the remainder of the AGIA process and look forward to an Alaska Highway pipeline project being launched in the near future.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Gary Lunn".

The Honourable Gary Lunn, P.C., M.P.

c.c.: The Honourable Jim Prentice, P.C., M.P.  
Minister of Industry

AGIA License Office



Natural Resources Canada  
580 Booth Street  
Ottawa, ON  
K1A 0E4

Date: March 7, 2008

**FACSIMILE / TÉLÉCOPIE**

If there is any problem upon receipt of this fax, please call:

S'il y a des problèmes à la réception de cette télécopie, prière d'appeler:

To/ Destinataire	Wayne Marshall	Tel Fax	403-299-2785
From/ De	Jim Booth	Tel Fax	613-992-9780 613-995-1913

**RE: UPGRADES**

No of pages including this page / Nombre de pages avec cette feuille: 3

**COMMENTS/COMMENTAIRES:**