

STATE  
of ALASKA*MEMORANDUM*TO: ☐ Jay S. Hammond  
Governor

DATE : August 9, 1976

FROM: Fran Ulmer  
Legislative Assistant

SUBJECT: Proposed Gasline Routes

Last week I travelled with the FPC delegation viewing the three proposed gasline routes. The group included:

## FPC Commissioners

Dick Dunham  
Don Smith  
John Holloman  
Jim Watt

## Administrative Law Judge

Nathum Litt

## FPC Staff Attorney

Peter Kissel

## BLM representative

Jules Tileston

## El Paso representative

Mike Holland

## Arctic Gas representative

Bob Ward

## Northwest representative

Gene Foulke

## Attorney for conservation

## groups

Barbara Graham

## Attorney for State of Alaska

Bob Loeffler  
(Covington & Burling  
Washington, D.C.)

It was felt that someone from the State of Alaska should accompany group, but yet not anyone who would testify before the FPC proceeding (thus, folks like Champion, Martin and you were ruled out!). I was available and willing.

On Sunday, they toured the LNG plant in Kenai, which, according to Bob Loeffler, impressed them with Alaska's capacity to utilize its resources. I joined them Monday in Anchorage from where we departed in twin engine otter (Pat Leonard flew, Seairmotive). We followed the highway to the Copper River which we flew down to the bridge, over to Gravina Point and up to Valdez. The mountain pass, above Port Fidalgo, through which the gas line would pass is quite precipitous (Pat flew it in such a way as to emphasize the elevation).

We thoroughly toured the Valdez terminal and port facilities (Alex Miller's nephew was our tour guide.) After

we all were reassured by the reinforcing gates and concrete "moats" (which will prevent the oil leaking from holding tanks from flowing into Valdez arm), we were off to review the Columbia Glacier (the icebergs floating in the bay spoke for themselves.)

The next part of the journey convinced the commissioners of Alaska's dimension - we flew the line up to Gulkana then over to Northway Junction (on the border) and then to Fairbanks. By otter, that's a long flight!

Tuesday, we flew to five mile camp where we had a detailed tour of the camp, the pipe and its vertical support members (each one of which is the price of a new cadillac), and the Yukon River Bridge (pipe about to be laid on it.) The technology is indeed impressive. Near Galbraith Lake, dug out portions of the line were obvious from the air (the pipe is unburied, checked and reburied after being certified.) The pilot pointed out the scars of mining activity near Wiseman and Jules Tileston explained the mistakes made in the construction of the Hicikel Highway. The FPC group began to appreciate how a land as vast as this one is still not large enough to embrace many of those errors.

Tuesday evening we arrived in Barrow just in time to unload baggage at the Navy Arctic Research Lab headquarters and rush to the mess hall before it closed.

I had heard about accity council meeting, so I persuaded the Commander to find transportation into town for Commissioner Jim Watt, Judge Nathun Litt and myself. We had time for a quick car tour before the meeting. The town is in need of everything, by Western standards. The rusty, above-ground gas line installed by BIA over a decade ago (a "temporary" arrangement, it has never been rebuilt as promised) looks like an antique, not the major source of power to the city (as it is). It leaks constantly, and according to locals, would be exceedingly dangerous if the wind stopped blowing and the fumes were able to accumulate. The FPC officials were speechless; thank goodness it was not a state line.

The city's new housing project looks strangely out of place: 20 small pre-fabricated dwellings (\$70,000 a piece) surrounded by hanging, drying meat, huskie puppies, tool shacks and rusting snowmobiles.

The downtown area has several new buildings: (1) the hotel (NANA owned) is a Holiday Inn type (which had no running water for the first several months of operation and which has had continual battles with DEC over water and sewer permits); (2) the new "cooperative" department store looks

like a wooden block with a red round metal entrance chamber running the length of the building ( a winter playground for the kids); (3) the city's vocational ed building -- also attractively done in wood slats; (4) the borough building - several stories of blue trimmed wood with lovely artifacts and photographs indoors, bright colored walls, modern plastic furniture and a 2-story open mall inside (gas heated). The rest of the downtown, with a few exceptional small new homes (constructed by individuals), is best described as "old shack construction" with plenty of old parts, dogs, cars, tires, skins, oil drums, etc., everywhere (even saw a walrus head drying). The FPC officials had a very difficult time relating to the environment; unquestionably the visual impact was far more impressive than hundreds of pages of testimony about Native life styles.

The council meeting was held in the borough building; present were 4 council members, acting President Joe Akak, (also president of Atkasook Corp.) acting Mayor Lloyd Avocana, Bob Dupere, Willie Hensley, Tim Bradner, borough attorney Show and miscellaneous local folk (8). I was introduced all around. (The FPC commissioner and judge melted into the wall, saying they were "Fran's friends", not desiring to be recognized as federal officials!). The meeting was relatively uneventful, approving bond issues for sewer, power, schools and roads, approving ordinances (read both in English and Thlingit). It ended at 10:30 and Bob Dupere, Willie, Tim, Joe, Lloyd and I drove to Lloyd's new home where we discussed Barrow problems for several hours. Some which were mentioned are:

- (1) tremendous disappointment over loss of State Trooper (allegedly we are pulling him out due to lack of housing)
- (2) frustration over catch 22 situation regarding sale of fishing licenses: no Fish and Game personnel in Barrow and no one sells licenses. How can residents purchase them? Need to give city official power to do so.
- (3) gravel removal restriction: need better cooperation between State and borough to protect scarring done by removal by BP and others: talk to Jesse.
- (4) DEC controls don't apply to Barrow conditions: totally unrealistic. Need new approach for Arctic conditions: talk to Ernie.

- (5) the joint federal-state-borough discussions which have previously been held (to coordinate all government activity vis-a-vis the Northern Slope Borough) are no longer a high priority of state administration. That's unfortunate, because so many agencies have impact on boroughs, it would be helpful for all to meet jointly: ask Lee & Bob L. about it.

Lloyd's wife, Lucy, a native of the Prudhoe Bay region, now works at BP camp in Prudhoe. A rugged lady. For her one-week-off break, every 3rd week she snowmobiles to her old homestead 60 miles away. "When the bear come inside, I just move upstairs and they no bother me."

[Power outage early Wednesday morning. If this happens in December, N.A.R.L. has 30 minutes to fix it before pipes freeze and they abandon camp for the winter].

Wednesday morning we flew up above the overcast, arriving in Prudhoe Bay in time for a one hour tour before lunch. Bob Hartsler, BP., showed us to pump station #1, the gas decompressors, drill rigs, barracks, caribou, arctic foxes, ARCO's camp, EXX's office, and finally BP's elegant establishment. Swimming pool, inside garden, luxurious wall hangings, indirect lighting, fat carpet, fattening food. 5,000 people live at Prudhoe, plus countless visitors. Supplies are barged in during early September; the rest air lifted or trucked up the haul road. The buildings which are uniformly pre-fab trailer, seem surprisingly stretched out, unnecessarily spread out. (can't help but wonder if the spread is because of lack of planning, for safety reasons or just the way leases have been let through the years by DNR).

We observed numerous caribou close to the road (one crossed it leisurely 20 feet in front of our bus).

The gravel spit constructed last December to unload the stranded barges is impressively clean and looks natural. At its end is a barge which has been sunk to serve as a staging dock (when no longer necessary, water will be pumped out of its holding tanks and refloated).

Permafrost is about a foot from the surface here - and from there it is frozen 3,000 feet straight down. We walked a boardwalk out over the tundra to Arctic Co.'s experimental revegetation project: a hole had been dug to reveal the permafrost. It was not until the FPC group saw and touched the frozen earth that they comprehended that all this flat, low grass plain is substantially different from Wyoming or Montana. Feeling its cold and spongy texture, seeing the scars left by early experiments many years ago, raised their consciousness to a new level of reality.

We next flew to the Arctic Wildlife Refuge (spotting 10 musk oxen north of the Sandleroché Mts.) to Demarcation Bay. We circled over Arctic Gas proposed dock, crossed the Canadian border, then landed for a leg stretch at an old abandoned Dewline Base (near Beaufort Lagoon).

We flew back along the coast spotting ducks, Canadian drilling ships on their way to the Beaufort Sea, a few cabins and abandoned drill sites, and thousands of rusty oil drums.

As a footnote to all of the above, let me describe the nature of the conversation among the commissioners about the case. All representatives aboard spoke carefully, deliberately avoiding very controversial aspects of the FPC proceeding. When each of the routes was flown, that company representative concerned would pass out maps, describe size, grades, volumes, depths, point out significant geographic points and answer questions guardedly. Judge Litt lectured knowledgeably about the various construction hazards, environmental complications and structural requirements, hinting at values, preconceptions and breadth of knowledge. He pointed out those areas in which the party's case is lacking and articulated some decisions which the state needs to make in order to clarify the factual records (e.g., what the state will charge El Paso to route line over Yukon River bridge). A list of "deficiencies" will be forthcoming from staff attorney of FPC in September (Av and Guy know).

The commissioners on the other hand seemed only vaguely interested in the statistics or specifics, discussing only the generalities of the environment, the politics, the time constraints, the international complications.

The record on the case will close November 15, after which the judge will rule within a matter of weeks (he say before Christmas). Those will then be appealed to the full commission. Although publicly the commission has indicated it may take months for it to decide, privately they indicate the decision could be made "in no time at all if the pressure's there."

The politics of the commission are interesting. Commissioner Watt and Chairman Dunham were appointed by President Ford about a year ago. They describe themselves as conservatives (anti-regulation and state's rights). The chairman sits on the President's energy advisory council and is close to the President. Commissioner Smith is a Democratic holdover (5 years) and describes himself as "the liberal" on the commission (he was the dissenting vote against gas de-regulation). Commissioner Holloman is

a moderate, and if Carter is elected and appoints a "liberal" as the fifth commissioner, Holloman would be the swinging vote. That explains why the Congress has failed to take up the question of confirmation of Ford's fifth appointee.