

Alaska Natural Gas Pipeline Proposals (North Slope to Market)
Chronology of Events: 1977-1978
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- Jan 1977 The last pipe for the Trans-Alaska Oil Pipeline was laid.
- Jan 1977 Jensen Associates Inc. released its economic analysis of Alaskan royalty gas contracts to the Alaska State Legislature. The question they were asked to answer was were the contracts favorable to Alaska if El Paso project was selected, and if it was not selected. The conclusion was that they were.
- Jan 12, 1977 The Department of Transportation issued National Transportation Trends and Choices for the Year 2000. This report favored the El Paso route as the most viable of the three options.
- Jan 28, 1977 A treaty was initiated between U.S. and Canada on transit pipelines. Agreement Between the Government of Canada and the Government of the United States of America Concerning Transit Pipelines. The U.S. Senate ratified it August 3, 1977. It was also called the Transit Pipeline Treaty.
- Jan 31-Feb 7,1977 Hearings were held by the Senate Special Committee to Consider the Sale of Royalty Gas and by the House Special Committee on the Sale of Royalty Gas. Joint public hearings of the Alaska State Legislature on SCR 3, 4, 5 and HCR 11, 12, 13, "the proposed sale of royalty gas," January 31, 1977-February 7, 1977, Juneau, Alaska. All of these resolutions expired in first session.
- Feb 1, 1977 Federal Power Commission Administrative Law Judge, Nahum Litt, released his Initial Decision on the Proposed Alaska Natural Gas Transportation Systems. Judge Litt recommended that the Arctic Gas system be selected. El Paso was his second choice. "No finding from this record supports even the possibility that a grant of authority to Alcan can be made." (p.429)
- Feb 3, 1977 Joint hearings of the Alaska Senate Finance Committee, Senate Resources Committee, and the House Resources Committee were held to consider State participation in financing the Alaska Highway Gas Pipeline.
- Feb 16, 1977 SJR 15 was introduced in the Alaska Senate. The resolution stated the Legislature's support of an all-Alaska natural gas pipeline route and urged

the President to recommend the El Paso route. The resolution never made it out of committee.

- Feb 28, 1977 Aerospace Corporation issued its draft report Economic Analyses of Alaskan Natural Gas Transportation Alternatives to the State of Alaska Office of the Pipeline Coordinator. The report evaluated potential costs and revenues from each proposed system, to the State as a whole.
- Feb 28, 1977 The Alcan Project (Alcan Pipeline Co., Foothills Pipe Lines Ltd., Westcoast, Alberta Natural Gas Co.) filed an amended application with the Federal Power Commission, Canadian National Energy Board, and Canadian Minister of Indian Affairs and Northern Development to construct a 48" pipeline system instead of its original 42" design. This amendment also changed the route through Canada to more closely follow the Alcan Highway. The new routing through Canada would require about 2022 miles of pipeline, or about 1180 miles less than the original proposal. On March 16, 1977 Foothills withdrew its former application for a 42" line.
- March 1977 Alaska State Legislature voted to sell 25% of the state's surplus royalty gas to El Paso Alaska.
- March 1977 *Alaska From the Inside* reported that 13 more governors that made up the Appalachia Regional Commission had declared their support of Arctic Gas Pipeline proposal to deliver Prudhoe Bay natural gas to the continental U.S. This made a total of 25 state leaders who had publicly endorsed the Arctic Gas Route. The Midwest Governor's Conference had endorsed the pipeline route earlier.
- March 1, 1977 Briefs of Exceptions to Litt's decision were filed by Federal Power Commission staff and all parties in the proceedings, including the State of Alaska.
- March 8, 1977 The Alaska Highway Pipeline Project filed an amended application for a 48" high-pressure express system that did not tie into existing Canadian pipelines.
- March 14, 1977 SB 251 was introduced in the Alaska Senate. It would have created a Trans-Alaska Gas Transportation Authority to further construction of an all-Alaska gas pipeline from Prudhoe Bay to tidewater. The bill never made it out of committee.
- March 16, 1977 Foothills withdrew its application for a 42" pipeline.
- March 17-April 5 The U.S. Congress, House Committee on Interior and Insular Affairs, Subcommittee on Indian Affairs and Public Lands held hearings on the

selection of a transportation system to deliver North Slope natural gas to the continental U.S.

- March 21, 1977 The Minister of Fisheries and the Environment, Canada, established the Environmental Assessment Review Panel, chaired by Dr. Harry Hill. its directive was to assess the environmental impact of the Alcan Project, in the Yukon.
- March 24, 1977 SCR 38 was introduced in the Alaska Senate. The resolution asked the Governor to direct the Department of Revenue to study the feasibility and profitability of a pipeline between Prudhoe Bay and tidewater for transportation of state-owned royalty gas The bill never made it out of committee.
- April 8, 1977 Federal Power Commission staff released a report outlining salient changes in expected environmental impact, resulting in the change to a 48" diameter system.
- April 19, 1977 The Alaska Highway Pipeline Inquiry was established by the Minister of Indian Affairs and Northern Development, Canada, to examine social and economic implications of the revised Alcan Project (also known as the Foothills Yukon Project.) The inquiry was chaired by Kenneth Lysyk. The Minister stated that if the Alcan Project were approved in principle, the Government of Canada would establish another inquiry to produce a final socioeconomic impact statement on which the terms and conditions for the construction and operation of the pipeline would be based.
- May 1, 1977 The Federal Power Commission Recommendation to the President was released. The commissioners found all three systems viable, but they preferred an overland route through Canada. Two commissioners favored the Arctic Gas Proposal and two favored the Alcan Proposal.
Recommendation To The President: Alaska Natural Gas Transportation Systems
- May 9, 1977 Justice Thomas R. Berger issued the first volume of a two volume report on the impacts of the Arctic Gas Pipeline in the Mackenzie Valley area of northern Canada, and submitted it to the Minister of Indian Affairs and Northern Development. In Northern Frontier, Northern Homeland, Justice Berger recommended postponing construction of a pipeline through the Mackenzie Delta for 10 years. Justice Berger felt that a delay was necessary to allow sufficient time for a just settlement of native claims.
- May 16-17, 1977 The Council on Environmental Quality held public hearings in Anchorage Alaska, to gather information on environmental issues related to the Alaska Gas Pipeline. Hearings were held in Washington D.C. May 23-24.

- May 18, 1977 Alaska's Attorney General, Avrum Gross, announced that the State of Alaska would continue to support the El Paso route for the gas pipeline.
- May 23-24,1977 The Council on Environmental Quality held public hearings in Washington, D. C. to gather information on environmental issues related to the Alaska Gas Pipeline.
- May 23, 1977 Alaska's Governor Hammond announced that the State was exploring the possibility of lending its credit to the financing of the El Paso Project. He said such a move would possibly make the El Paso proposal more attractive.
- May 24, 1977 A resolution was introduced in Alaska House of Representatives requesting the Governor to inform all federal agencies that the Alcan Gas Pipeline Proposal was an acceptable alternative to the El Paso Route. It also requested the Governor to an immediate switch of support to the Alcan Route. The resolution expired in the first legislative session. HR 15
- May 30- June 3 The Environmental Assessment Review Panel held informal meetings in communities along the Alaska Highway.
- June 1977 The National Energy Board of Canada released its decision on the Alaska Natural Gas Transportation System proposals. The National Energy Board decision found the general Alcan Route with a Dawson diversion preferable to the Arctic Gas Route. The Board recommended the Council require further studies and assurances from the companies involved before issuing the Certificate of Convenience and Necessity. Reasons for decision : northern pipelines, June 1977
- June 1977 Aerospace Corporation issued its final report Economic Analysis Natural Gas Transportation Alternatives to the State of Alaska Office of the Pipeline Coordinator (SPCO). The report evaluated costs and revenues from each system to the state as a whole, not just state government.
- June 9, 1977 The Fairbanks North Star Borough voted to petition the Alaska Royalty Oil and Gas Board for all or a portion of the State's Prudhoe Bay royalty gas. This move was in an effort to attract the petrochemical industry to interior Alaska. The Royalty Board rejected their petition.
- June 13-July 14 The Environmental Assessment Review Panel held formal public hearings on the Arctic Gas proposal, in the Yukon.
- June 20, 1977 The League of California Cities endorsed the El Paso proposal to bring natural gas to market in the continental U. S. They preferred the All-

America route and the possibility that California would be the receiving point for the LNG tankers.

- June 22, 1977 Alaska Legislative Resolve 98 became effective. This resolve requested the Governor to investigate the desirability and feasibility of Alaska facilitating financing of an all-Alaska route for a gas pipeline. The Governor was to report back to the Tenth Legislature. HCR 27, CSHCR 27
- June 20, 1977 Alyeska Pipeline Service Co. began pumping oil through the Trans-Alaska Oil Pipeline.
- June 26, 1977 White Weld and Co. Inc. (a New York consulting firm) reported that its studies indicated that the Alcan Pipeline could not be financed without government guarantees.
- July 1, 1977 Nine interagency task force reports analyzing various issues relevant to the selection of an Alaska Natural Gas Pipeline System were published. These reports considered environmental issues, cost overrun, construction delay, natural gas supply and demand, cost analysis, impact on energy policy, safety and design. The report on financing stated that the pipeline could be privately financed, and also suggested that the State of Alaska could be a source of financing.
- July 1, 1977 The President's Council on Environmental Quality announced in its report to President Carter that the Alaska Highway Pipeline Project was the environmentally preferable route to transport natural gas from the North Slope of Alaska. The Council on Environmental Quality found the Arctic Gas route through the Arctic Wildlife Range unacceptable and El Paso's proposal too ill defined to determine acceptability.
- July 4, 1977 Canada's National Energy Board recommended the Alaska Highway Pipeline Project be approved, conditional upon the filing of an application for a Dempster Lateral to transport Mackenzie Delta gas to connect with the Alaska Highway pipeline at Whitehorse. They also called for a re-route of the pipeline to pass through Dawson, Yukon Territory. At the same time the NEB rejected the applications of the Arctic Gas Project and Maple Leaf Project.
- July 4-27, 1977 Canada's Council of Yukon Indians (CYI) expressed dismay over the recommendation of the National Energy Board that the gas pipeline be built through Yukon Territory. Later they called for a new environmental impact study, citing the fact that the new pipeline route was as much as 100 miles from the area covered by the Lysyk Commission Inquiry.

- July 5, 1977 Alcan Pipeline Co. filed an application for right-of-way across federal lands.
- July 18, 1977 The State of Alaska offered to guarantee \$750-\$800 million of the debt for an All-Alaska gas pipeline. The aim of the Hammond administration was to lower the cost of gas shipped by the El Paso project, to make it more attractive to the federal government.
- July 20, 1977 Secretary Andrus (Department of Interior) submitted his recommendation to the President that the Alcan Route be selected.
- July 23, 1977 Northwest Energy Company announced the signing of a contract with Pan-Alberta Gas Ltd. of Calgary for the delivery of up to 800 million cubic feet of natural gas daily for five years. This contract would permit building, in advance, the eastern leg of the Alaska Highway Pipeline System in the continental U.S. The Canadian gas could begin flowing in advance of completion of the overall project.
- July 27, 1977 An Environmental Assessment Panel of Canada's Department of Environment issued an Interim Report approving the Alaska Highway pipeline route in the southern Yukon. If the Alcan Project were the selected route, a complete evaluation would be made.
- July 29, 1977 Arctic Gas Project withdrew from the competition for the gas pipeline route, and the eight American members of the consortium announced support of the Alaska Highway pipeline project.
- July 29, 1977 Oil that the Alyeska Pipeline Service Co. began pumping on June 20 reached the Valdez terminal.
- July 29, 1977 Kenneth M. Lysyk submitted his report on the impacts of the Alcan proposal in the Yukon Territory to the Minister of Indian and Northern Development. Lysyk recommended that construction of this pipeline not begin until August 1, 1981 to allow sufficient time for further study of best alignments and alternatives. Alaska Highway Pipeline Inquiry
- Aug 1977 The Federal Power Commission released its environmental assessment of the Taylor Highway to Klondike Highway realignment that had been required by the National Energy Board of Canada (the required diversion route through Dawson to accommodate a Dempster link.) The FPC found that this route was environmentally acceptable.
- Aug 1, 1977 The first tanker of oil from Prudhoe Bay Field left Valdez Alaska for continental U.S. markets.

- Aug 3, 1977 The U.S. Senate ratified a treaty between the U.S. and Canada concerning transit pipelines. The treaty had been initiated January 1977.
- Aug 4, 1977 Prime Minister Trudeau and his cabinet approved the project, subject to the conclusion of satisfactory negotiations with the U.S.
- Aug 6, 1977 Alberta Natural Gas Co. Ltd. filed an application before Canada's National Energy Board to build a pipeline in British Columbia, to connect with Alcan's proposed pipeline.
- Aug 9, 1977 Alcan Pipeline Co. announced that TransCanada Pipeline Ltd. joined the consortium proposing the Alcan route. TransCanada was formerly a member of the Arctic Gas Group.
- Aug 12, 1977 An agreement was signed that gave Columbia Gas Transmission Company the right to purchase gas which might be produced from Prudhoe Bay wells of Sohio Petroleum Company, BP Alaska Exploration Inc. and BP Alaska Incorporated.
- Aug 19, 1977 Alaska's Commissioner of Revenue sent a letter to James Schlesinger, U.S. Secretary for Energy, pointing out that the Alaska State Legislature had authorized financial assistance only for the all-Alaska Route. (El Paso proposal)
- Aug 26, 1977 Federal Power Commission released a report entitled Environmental Assessment of the Taylor Highway - Klondike Highway Realignment. The report was prepared by the directive of the council on Environmental Quality and the White House Alaska Task Force, as a result of the Canadian National Energy Board's statement that "In certifying the...Alcan Route the Board would require a diversion of the route through Dawson." The report found this reroute acceptable but stated that the original route was environmentally preferable.
- Sept 1977 Battelle issued its report on potential instate use of North Slope royalty natural gas. The report was prepared for the Alaska State Department of Commerce and Economic Development.
- Sept 8, 1977 President Carter and Prime Minister Trudeau announced that the U.S. and Canada had reached agreement on the Alaska Highway pipeline project. They selected the Alcan Route. Joint Statement of President Jimmy Carter and Prime Minister Pierre Trudeau on Construction of A Natural Gas Pipeline Along the Alaska Highway.
- Sept 12, 1977 Pump Station 3, on the Trans-Alaska Oil Pipeline, suffered sabotage. A hose nozzle was blocked open and oil allowed to escape.

- Sept 13, 1977 Alcan Pipeline Co. filed its application for right of way over Alaska State lands. It also applied for the permits necessary to for ground control survey. This survey set the actual ground placement of the pipeline alignment within the right-of-way lands.
- Sept 20, 1977 Natural Gas Pipeline: Agreement Between the United States and Canada was signed in Ottawa.
- Sept 22, 1977 President Carter's decision to select the Alcan system for delivering Prudhoe Bay natural gas to the continental U.S. was submitted to Congress. Decision and Report to Congress.
- Sept 22, 1977 El Paso withdrew its proposal to deliver Alaska gas to market. The announcement was made before a congressional committee as it opened sessions to consider President Carter's recommendation that the Alcan gas pipeline be built.
- Sept 22-Oct 14, 1977 Both Senate and House committees held hearings on the President's Decision and Report to Congress.
- Sept 22, 1977 Alaska's Commissioner of Revenue testified before the joint House Energy and Power and Interior Committees. He stated that a primary objective of the State in supporting the El Paso project was to achieve a means by which royalty gas could be brought to tidewater and aid in the economic diversification of Alaska's economy. The state did not see the El Paso project as unreasonable financial risk. The Alcan route did not offer access to tidewater for royalty gas. The money that the State would have committed to a pipeline that went to tidewater would now be spent on a royalty gas pipeline to achieve that goal. The Alcan project as a financial investment presented risks which might be serious obstacles to a prudent investment of state funds. These risks included the Canadian native claims issue, dual regulation between Federal and Canadian governments, effects of the treaty and agreements with Canadians.
- Sept 23, 1977 State of Alaska Attorney General, Avrum Gross, said the State of Alaska would not participate in financing the Alaska Highway Gas Pipeline.
- Sept 30, 1977 The Executive Office of the President, Energy Policy and Planning, sent a letter to Alaska's Commissioner of Revenue encouraging Alaska to switch their allegiance to the Alcan Project, since the El Paso Proposal had been withdrawn.
- Oct 1, 1977 The Federal Power Commission ceased to exist and its functions and regulatory responsibilities were transferred to the Secretary of Energy and the Federal Energy Regulatory Commission (FERC) which was an independent commission.

- Oct 10-12, 1977 The U.S. Senate Committee on Energy and Natural Resources held a hearing on the President's decision to designate the Alcan Pipeline project for approval pursuant to the Alaska Natural Gas Transportation Act.
- Oct 11, 1977 At the U.S. Senate Committee on Energy and Natural Resources hearings on the gas line, Alaska's Senator Stevens elicited a commitment from Alcan Pipeline Co. to provide gas taps and feeder lines to Alaskan communities along the pipeline route.
- Oct 12, 1977 The House Interior Committee approved the President's Decision.
- Oct 12, 1977 Federal Power Commission submitted its comments on the President's Decision to Congress. This report supported the President's decision.
- Oct 14, 1977 The North Slope gas producers announced before the House Interior Committee hearings that they would not participate in the financing of the gas pipeline.
- Oct 14, 1977 U.S. House Subcommittees on Energy and Power, and Public Lands approved the President's Decision.
- Oct 18, 1977 The U.S. House Interstate and Foreign Commerce Committee approved the President's Decision.
- Oct 28, 1977 The Federal Energy Regulatory Commission requested Pacific Alaska LNG Associates to provide a supplement to the "Alternatives to the Proposed Action section of their environmental report on possible pipeline route alternatives from Cook Inlet to the proposed Alcan Highway pipeline at Tok or Fairbanks.
- Nov 1, 1977 The Senate Energy Committee approved the President's Decision.
- Nov 1, 1977 Secretary of the Interior, Cecil Andrus sent a letter to Alaska's Governor Hammond expressing Interior's concern about what might happen if the Alaska Haul Road was opened to public traffic during gas pipeline construction.
- Nov 1, 1977 Senate Report 95-67, To Approve The Presidential Decision On An Alaska Natural Gas Transportation System was published. The report was to accompany S.J RES 82. Of particular note for financing was the statement on page 12 that in spite of the President's desire that the State of Alaska and North Slope producers participate in some form of financial assistance both had turned thumbs down on the project. The State of Alaska had committed itself to supplying \$900 million in equity funds if the El Paso project had been approved. Thus far it had refused to make

similar commitment on behalf of the Alcan project, although there were some indications that some officials were considering financial assistance for construction of the conditioning plant.

- Nov 2, 1977 The Senate and House of Representatives voted approval of President Carter's recommendation of the Alaska Highway Pipeline Project.
- Nov 2, 1977 Congress approved the President's decision to select the Alcan system by Joint Resolution, (Alaska Natural Gas Transportation System Approval: Joint Resolution)
- Nov 8, 1977 President Carter signed the Congressional Joint Resolution approving the Alaska Highway Pipeline Project. (PL 95-158, House Joint Resolution 621)
- Nov 28, 1977 The Federal Executive Policy Board met with representatives of the State of Alaska, and Northwest Alaskan Pipeline Company to discuss permitting processes.
- Nov 30, 1977 Justice Berger released Volume 2 of Northern Frontier, Northern Homeland, his report of the Mackenzie Valley Inquiry.
- Nov 30, 1977 Alaska's Governor Hammond announced that the State was considering "loan guarantees" to Northwest Alaskan Pipeline Company.
- Dec 1977 Canada's Federal Environmental Assessment Review Office issued its Guidelines for Preparation of the Environmental Impact Statement. These guidelines were to be followed by Foothills, Westcoast, and Alberta in preparing their EIS on the Alcan pipeline.
- Dec 10, 1977 OMAR (Organization for the Management of Alaska's Resources) held a petrochemical symposium in Anchorage Alaska. Bob Hartig in his introductory speech stated that up to that date OMAR had put its major efforts into supporting a trans-Alaska natural gas pipeline. It was now turning to petrochemical development.
- Dec 13, 1977 Representatives of the U.S. government, the Canadian government, and the Canadian & U.S. partners in the Alcan Pipeline Project met to discuss economic and metallurgical considerations for determining the pipeline design, size and pressure.
- Dec 16, 1977 The Federal Energy Regulatory Commission, successor agency to the Federal Power Commission, issued a conditional certificate enabling the Alcan Pipeline Co. to proceed with pipeline design and planning activities.

- Dec 16, 1977 John Adger was designated Director of the Alaska Gas Project Office, by Administrative Order #1, issued by the Federal Energy Regulatory Commission.
- Dec 31, 1977 The Joint Fish & Wildlife Advisory Team (JFWAT) was dissolved. This team was a highly successful effort by the U.S. Fish and Wildlife and Alaska Department of Fish and Game to work together to monitor the Trans-Alaska Pipeline project. The records of this group were later borrowed from the Alaska State Archives by the Alaska State Pipeline Coordinator's Office, which was assigned the task of monitoring the design and engineering phase of the Alaska Natural Gas Transportation System Project.
- Jan 1978 Pallett and Salides, two consultants to the Alaska Department of Revenue, recommended that the State not become involved in the financing of the gas pipeline. They recommended instead that the State take the lead in petrochemical development in the state. Utilization of Alaska Royalty Gas and Gas Liquids
- Jan 1978 The State of Alaska, Office of the Pipeline Coordinator, took on surveillance of the gasline in addition to the Trans-Alaska Pipeline.
- Jan 1, 1978, Alcan Pipeline Company's name was officially changed to Northwest Alaskan Pipeline Company. This change was due to the fact that Alcan was found to be a patented name, owned by Alcan Aluminum Co. of Canada. (for the next year both names are used: Alcan and Northwest)
- Jan 1, 1978 Sohio Petroleum Company changed its name to Sohio Natural Resources Company.
- Jan 10, 1978 Alaska's State Agricultural Coordinator requested Northwest Alaskan Pipeline Co. to place a compressor station near the farming community of Delta, and to design that compressor station so that waste heat could be used for crop drying and other agricultural uses.
- Jan 19-20, 1978 *Alaska From the Inside* reported that Alaska Governor Hammond revealed his plan for the North Slope Haul road during gas pipeline construction. He wanted the portion from the Yukon River north to Prudhoe Bay to remain closed except for industrial use and tour busses until construction was completed. Public safety, conflicts with construction traffic, environmental impact and oil pipeline security were the reasons for recommending restricted use during pipeline construction. The *Alaska Report* reported that Hammond had been talking with Secretary of Interior Cecil Andrus about closing Haul Road to Public since Congress approved the President's Decision.

- Jan 23, 1978 HCR 44 was introduced in the Alaska House of Representatives. The resolution asked the Governor and Commissioner of Natural Resources and the Royalty Oil and Gas Development Board to indicate clearly that Alaska's royalty gas from the North Slope would be processed within the State of Alaska so that jobs would not be exported with the resources. The resolution never made it out of committee. HCR 92, CSHCR 92
- Jan 31, 1978 The general partnership agreement among the Alaskan Northwest Natural Gas Transportation Company partners became effective. The parties were Northern Arctic Gas Co. (affiliate of Northern Natural Gas Co.), Pan Alaska Gas Co. (affiliate of Panhandle Eastern Pipe Line Co.), Pacific Interstate Transmission Company (Arctic) (affiliate of Pacific Interstate Transmission Co.) and United Alaska Fuels Corp (affiliate of United Gas Pipe Line Co.)
- Feb 1978 The state of Alaska was asked to finance up to \$1.4 billion for the Alaska Highway Gas Pipeline to demonstrate state support. FERC had stated that the Federal government would not provide financial support. At a meeting with the Alaska State Legislature, Northwest and FERC stated that if the State did not provide financial support, efforts to raise capital in the private market would be hindered.
- Feb 3, 1978 The Canadian Government introduced legislation authorizing construction of the Alaska Highway pipeline through Canada. The bill called for establishment of a Northern Pipeline Agency which would work in conjunction with Canada's National Energy Board to provide a "one-window" regulatory approach, similar to that adopted by the U.S., in order to expedite construction of the pipeline system.
- Feb 15, 1978 The Trans-Alaska Oil Pipeline was shut down after a sabotage incident. An explosive device blew a hole approximately 1 inch in diameter through the pipe. The resulting spill was estimated at 14,000 barrels.
- Feb 14, 1978 Pacific Gas and Electric Company and Southern California Gas Company issued Pipeline and LNG Transportation Systems for Cook Inlet Gas. The report summarized estimated capital costs for a pipeline to deliver Cook Inlet gas to the Alcan Pipeline at Fairbanks or Tok.
- Feb 15, 1978 Northwest Alaskan Pipeline Co. officials addressed Alaska's House Special Committee on Royalty Oil and Gas, presenting a proposal for State participation in financing of the gas pipeline.
- Feb 15, 1978 Dillon Read and Co. Inc. published its report State of Alaska, Alaska royalty gas study. The study presented a range of options for ownership and financing of a gas condition and transmission system for the distribution of Alaska's royalty gas and gas liquids.

- Feb 16, 1978 John Adger, Director of the Federal Energy Regulatory Commission Alaska Gas Project Office, informed the Alaska State Legislature that President Carter expected the State to assist in financing the pipeline.
- Feb 17, 1978 The Canadian National Energy Board chose 56" pipe for the portion of the pipeline from Whitehorse south to where it splits into eastern and western legs.
- Feb 18, 1978 Northwest Alaskan Pipeline Company issued an " anxious invitation" to the State of Alaska to provide \$1.4 billion in financing. McMillian stated that State participation would be the key to generating private investment.
- Feb 19, 1978 The Alaska Highway Pipeline Panel sponsored a workshop to examine current knowledge of the Porcupine Caribou Herd, and potential impacts of highways and pipelines.
- Feb 22, 1978 The Fairbanks City Council passed Resolution 1421, directing the city administration to conduct a feasibility study on city participation in the financing of the Alaska Highway Gas Pipeline Project.
- Feb 24, 1978 Northwest Alaskan Pipeline Co. began surveying the route of the gas pipeline in Alaska.
- March 1978 The U.S. House and Senate agreed that Prudhoe Bay gas be considered "old gas" for the pricing formula.
- March 1978 Chiefs and Councilors of 7 Northwest Indian Bands in British Columbia made a series of presentations to a Select Committee on the Canadian House of Commons. They expressed fears about the scale and pace of industrial development in their hunting and trapping lands. In particular they opposed construction go the Alaska Natural Gas Pipeline through their lands. The Union of British Columbia Indian Chiefs supported their efforts. One result was that the Canadian government funded a land use occupancy study, to be undertaken by the Union of British Columbia Chiefs. The resultant reports Indian Land Use and Occupancy in the Peace River country of Northern British Columbia and Final Submission on the Northeast British Columbia Land Use and Occupancy Study were released in 1980.
- March 3, 1978 Northwest Alaskan Pipeline Company entered into a general partnership agreement, creating the Alaskan Northwest Natural Gas Transportation Company, to construct the 731-mile Alaskan segment of the gas pipeline. Joining Northwest Alaskan Pipeline Company were Northern Arctic Gas Co. (affiliate of Northern Natural Gas Co.), Pan Alaskan Gas Co. (affiliate of Panhandle Eastern Pipeline Co.) United Alaska Fuels Corporation

(affiliate of United Gas Pipe Line Co.) On March 9th Pacific Interstate Transmission Co. Arctic (Pacific Interstate Transmission Company) joined. On March 17th Natural Gas Corporation of California (affiliate of Pacific Gas & Electric Company.) Northwest Alaskan Pipeline Company remained the operating partner. The agreement became effective January 31, 1978.

- March 6, 1978 Dillon, Read & Co. released its study on gas pipeline financing to the Alaska Senate Finance Committee. They recommended that the State invest \$500 million in the Alaska section of the gas pipeline, through the vehicle of an Alaska Citizens Trust. The trust would allow Alaskans to share in the profits from the operation of the pipeline. State of Alaska, Alaska royalty gas study: Presentation to the State Legislature
- March 9, 1978 Pacific Interstate Transmission Co. Arctic (Pacific Interstate Transmission Co.) joined the Alaskan Northwest Natural Gas Transportation Company Consortium.
- March 10, 1978 Northwest Alaskan Pipeline Company signed contracts with Pan-Alberta Gas Ltd. of Calgary for the purchase of 1.04 billion cubic feet of Canadian gas per day. It was anticipated that some of the Canadian gas would be delivered to western U.S. markets by the winter of 1979; and the remainder could be flowing to the midwest, south, and east by the following year.
- March 15, 1978 *Alaska From the Inside* reported that the Alaska Oil and Gas Conservation Committee had ruled that up to 1.1 million cubic feet of natural gas per day could be flared at Prudhoe Bay gathering centers 1, 2 and 3. Up to 1 million cubic feet a day at flow stations 1, 2 and 3, and at the field fuel gas unit and the central compressor plant.
- March 15, 1978 Northwest Alaskan Pipeline Company submitted their Discussion Memorandum Regarding Financial Participation By The State Of Alaska in the Alaska Highway Pipeline Project to the Alaska House Special Committee on Royalty Oil and Gas, of the Alaska State Legislature.
- March 17, 1978 Natural Gas Corporation of California (affiliate of Pacific Gas & Electric Co.) joined the Alaskan Northwest Natural Gas Transportation Company. This brought the consortium up to 6 members.
- March 20, 1978 HB 943 was introduced in the Alaska House of Representatives. The bill would have created an Alaska Natural Gas Financing Authority to assist in financing the gas pipeline by issuing tax-exempt bonds. The bill never made it out of committee. A similar Senate bill was passed to become law June 30, 1978. SB 603, HCS-CSSB 603amH

- March 22, 1978 The U.S. Congress Joint Energy Conference Committee met to discuss a pricing mechanism for Prudhoe Bay gas supplies.
- March 24, 1978 Seven pipeline companies that had been invited to join the Alaskan Northwest Natural Gas Transportation Co. were denied customer loans to finance participation in the gas pipeline project by the Federal Energy Regulatory Commission.
- March 31, 1978 Northwest Alaskan Pipeline Company signed a contract to deliver 250 million cubic feet of natural gas per day to Northern Border Pipeline Co, for a 6-year term beginning November 1980. This gas was purchased from Pan-Alberta Gas Ltd. of Calgary on March 10.
- April 1978 Alaska's Governor Hammond appointed Amos "Mo" Matthews to the position of State Pipeline Coordinator for the Trans-Alaska Oil Pipeline and the Alaska Natural Gas Pipeline System Project. Matthews operated out of the Alaska Department of Natural Resources.
- April, 1978 John McMillian and Governor Hammond signed An agreement between Alaskan Northwest Natural Gas and the State of Alaska. This agreement covered in-state use of gas, royalty gas, and socioeconomic concerns.
- April 1978 Northwest Alaskan Pipeline Co. let a contract to study feasibility of using existing airports along the gas pipeline route to Michael Baker Jr. Inc.
- April 1, 1978 The Yukon office of the Northern Pipeline Agency opened.
- April 4, 1978 The Canadian House of Commons approved legislation authorizing the Alaska Highway Pipeline Project, The Northern Pipeline Act, by a vote of 139 to 11. This legislation was then referred to the Canadian Senate. The Act established the Northern Pipeline Agency as the regulatory authority over the project.
- April 5, 1978 Northwest Alaskan Pipeline Co. filed 2 applications before the Federal Energy Regulatory Commission seeking authorization to import 1.04 billion cubic feet of natural gas per day from Canada. 800 million cu ft/day would be delivered at the U.S./Canada border near Monchy, Saskatchewan for delivery through the eastern leg of the Alaska Natural Gas Transportation System. 240 million cu ft/day would be delivered at Kingsgate, B.C. for delivery through the western leg. This was to allow early construction of the eastern and western legs.
- April 6, 1978 John G McMillian, Chairman & Chief Executive Officer of Northwest Energy Co., announced the appointment of R.R. (Andy) Meyer to the post

of President of Northwest Alaskan Pipeline Co., the companies wholly owned affiliate.

- April 6, 1978 HJR 68 was introduced in the Alaska State Legislature by the Special Committee on the Sale of Royalty Oil and Gas. The resolution would give legislative approval "in Principle" to state financing of the Northwest Alaska Pipeline. The resolution never made it out of committee.
- April 8-9, 1978 A public forum was held in Tok, Alaska to discuss impact of the proposed gas pipeline on villages near the route. The final report was issued in 1979 as A report of the Upper Tanana Regional Forum on the Impact of Construction and Operation of the Alcan Gas Pipeline: held April 8-9, 1978 at the Tok School in Tok, Alaska.
- April 12, 1978 The Pipeline Act became law in Canada. This act established the Northern Pipeline Agency to oversee planning for, and construction of the Alaska Natural Gas Pipeline. The law went into effect April 13, 1978.
- April 13, 1978 Certificates of Public Convenience and Necessity were deemed to have been issued to Foothills Pipe Lines (Alberta) Ltd., Foothills Pipe Lines (South BC) Ltd., Foothills Pipe Lines (North BC) Ltd., Foothills Pipe Lines (Saskatchewan) Ltd., and Foothills Pipe Lines (South Yukon) Ltd., by virtue of subsection 20(1) of the Northern Pipeline Act.
- April 14, 1978 Northwest Alaskan Pipeline Co. named Fluor Engineers and Constructors as their prime management contractor. Fluor was chosen for its arctic construction experience. Fluor would be responsible for engineering design of the pipeline and compressor stations, project control, purchasing of materials, and overall construction management. Northwest Alaskan Pipeline Co. would provide policy guidance, monitor performance, and be responsible for obtaining all necessary governmental permits and authorizations.
- April 14, 1978 Todd M. Doscher, a consultant to the State of Alaska, met with the Alaska House Special Committee on Royalty Oil and Gas. He predicted that the gas pipeline would not be viable before 1990, and recommended that the State not become involved in the financing of the line.
- April 15, 1978 Alaska's Governor Hammond announced that the State was considering the authorization of \$1 billion in State tax-free bonds for Northwest Alaskan Pipeline Company. Legislative authority for this action was not yet available. The Bill was introduced April 20th.
- April 17, 1978 A Plan For Alaska's Financial Participation In The Alaska Highway Pipeline Project. Northwest Alaskan pipeline Company's plan called for the State of Alaska to establish a gas pipeline financing authority to issue

\$1.0 Billion in tax-exempt revenue bonds. This would require a change in Section 103 of the U.S. Internal Revenue Code. The plan also called for the State to make an equity-related investment of \$500 million in project convertible debt.

- April 17, 1978 Northwest Alaskan Pipeline Co. officials met with members of the Alaska State Legislature, and Alaska's Governor Hammond, to discuss proposals for State participation in financing of the gas pipeline.
- April 17, 1978 Alaskan Northwest Natural Gas Transportation Co. filed before the Federal Energy Regulatory Commission to transfer Alcan's Conditional Certificate of Public Convenience and Necessity for ANGTS to them.
- April 19, 1978 Northwest Alaskan Pipeline Co. announced that it had signed a contract to sell 150 million cu. ft. of natural gas per day to Panhandle Eastern Pipeline Co. for 6 years.
- April 19, 1977 A copy of the Alaskan Northwest Natural Gas Transportation Co partnership Agreement was filed with the Federal Power Commission. Each time new partners were added they were required to submit an amended agreement.
- April 20, 1978 SCR 102 and HCR 126 were introduced in the Alaska House of Representatives. These resolutions asked the Legislative Council to establish a joint interim committee on gas pipeline financing to review and consider direct investment of the State of Alaska in financing Northwest Alaskan Pipeline project. HCR 126 never made it out of committee. SCR 102 passed July 22, 1978 as HCS SCR am 102, Legislative Resolve 43.
- April 20, 1978 Northwest Alaskan Pipeline Co. petitioned the Federal Energy Regulatory Commission to recognize the newly formed consortium Alaska Northwest Natural Gas Transportation Co., which was created to construct and operate the Alaska Segment of the pipeline system. The petition also requested that FERC recognize the partnerships succession to all interests of Northwest Alaskan Pipeline Co, and its predecessor, Alcan Pipeline Company. Northwest Alaskan Pipeline Co. was named the operating partner in the consortium.
- April 20, 1978 Kay Brown and Connie Barlow forwarded their report An Overview of Natural Gas and Gasline Issues to the Alaska Legislature. The report was later updated and revised June 2, 1978
- April 24, 1978 The U.S. House Committee on Interstate and Foreign Commerce. Subcommittee on Energy and Power held hearings on potential U.S. industry participation in the construction of the Alaskan natural gas pipeline.

- April 24-28, 1978 Philip Essley, Technical Advisor to the Alaskan Gas Project Office of FERC spoke before the American Society of Civil Engineers National Spring Convention about the pipeline project. He said that the Alaska highway gas pipeline project represented a larger, but technically less difficult engineering project than the Alyeska Oil Pipeline project. The principal problem at that time was securing private financing to construct the pipeline. A Federal Overview Of The Alaskan Highway Gas Pipeline Project.
- May 1, 1978 The Department of Interior Office of Pipeline Safety published its final rulemaking authorizing the use of X-70 steel pipe for gas transmission pipelines, in the Federal Register.
- May 1 1978 The Alaska Department of Natural Resources Commissioner's Office and the Alaska Senate President's Office issued An Overview of Natural Gas and Gasline Issues for use of all state agencies to bring staff up to speed on the issues involved in the gas pipeline project.
- May 1, 1978 Draft 1 of the proposed socioeconomic and environmental terms and conditions, to be attached to the permit to build the Alberta section of the Alaska Highway Gas Pipeline, were released for public review.
- May 4, 1978 The Government of Canada and the Foothills group of companies signed agreements respecting "throughput" and the "Dempster Link." (also called the Dempster Lateral Gas Pipeline.)
- May 5, 1978 The Honorable Allan J. McEachen, Minister responsible for the pipeline in Canada approved the consultation and test contract for burst testing between Foothills Pipe Lines (Yukon) Ltd. and the Engineering Research Establishment of the British Gas Corporation.
- May 8, 1978 The Federal Energy Regulatory Commission issued its first proposed incentive rate-of-return plan, as required by the President's Decision.
- May 8, 1978 In response to a request of Northwest Alaskan Pipeline Co for the State's plans concerning gas use in-state, SCR 108 was introduced in the Alaska Senate. The resolution asked the Governor and Commissioner of Natural Resources and the Royalty Oil and Gas Development Advisory Board to tell the pipeline company that Alaska's royalty gas would be processed in Alaska, and taps would be required between Livengood and Big Delta. The resolution passed the Senate but never made it out of committee in the House. CSSCR 108
- May 10, 1978 Initial drafts of proposed socioeconomic and environmental terms and conditions for the pipeline were released by the Northern Pipeline Agency.

- May 22, 1978 Hearings in both the Alaska House and Senate were held over the following 2 weeks concerning financing of the Alaska Highway Gas Pipeline through special state authority to issue \$1 billion in tax exempt revenue bonds, backed solely by revenues of the pipeline. Such bonds would require a special Congressional tax exemption. CSSB 603
- May 24, 1978 Alaska's Legislature asked The Federal Energy Regulatory Commission to hold hearings in Alaska communities, on the socioeconomic impacts of the pipeline on those communities. SJR 46 was read by the Governor and became Legislative Resolve #22.
- May 24, 1978 Bache Halsey Stuart Shields Incorporated, consultants hired by the Alaska State Legislature to investigate the effect of creating of a special authority to issue the tax free revenue bonds for construction of the pipeline, submitted their report to the Legislative Affairs Agency of the State of Alaska. They found that issuing the bonds would not have a negative effect on the creditworthiness of the State and issuance of \$1 billion industrial revenue bonds would not have a measurable effect on the rates of the State's tax-exempt securities. The proposed Authority would improve the chances for successful financing of the pipeline. Analysis of proposed financial support for Northwest Alaskan Natural Gas Pipeline Project: report to Legislative Affairs Agency, State of Alaska.
- June 1978 The State of Alaska published its draft Socioeconomic Stipulations for the project. Hearings were held in August.
- June 1978 *Legislative digest: A Forecast and Review* reported that the Northwest Alaskan Pipeline Co. financing package was contained in CSSB 603 (House Finance version) and SCR 102. The bills would allow a State Authority to market \$1 billion in revenue bonds, with only the credit of the pipeline project pledged. This would facilitate the financing of the project. However, this special package of bonds would need a special tax exemption under Section 103 of the Federal IRS code. Northwest would have to pursue that in the U.S. Congress. The House version of SB 603 would require reapproval process in early 1979, before final commitment of the bonds. SCR 102 would set up a legislative study committee to report back to the legislature concerning acquisition of equity interest in the gas line. SCR 102 did not make it out of committee. HB 603 became law as HCS CSSB 603 am H on June 30, 1978.
- June 6, 1978 Northwest Alaskan Pipeline Co. announced the formation of a preplanning task force to work with Alaskans on pre-planning for pipeline activities.
- June 6, 1978 Amendments to the original transit pipeline treaty between U.S. and Canada were signed in Washington. The amended Agreement Between the

United States of America and Canada added the pipeline route, timetable, taxation, construction timetable, financing, as well as other specifics.

- June 7, 1978 The Federal Energy Regulatory Commission granted Northwest Alaskan Pipeline Co. a conditional approval for the importation of up to 1.04 billion cu ft/day of Alberta gas, through the prebuild section of the pipeline.
- June 8, 1978 Congress agreed on rolled-in pricing for Prudhoe Bay Gas. (Senate Report 95-1126, issued August 18, 1978).
- June 19, 1978 The Alaska State Legislature passed a concurrent resolution creating an interim committee to study ways the State, municipalities, and native corporations could participate in equity investment in the pipeline project.
- June 22, 1978 The U.S. Supreme Court ruled the Alaska's resident hire law unconstitutional.
- June 29, 1978 Northwest Alaskan Pipeline Co. announced that Fairbanks would be its Alaska headquarters during the construction and operation phases of the pipeline.
- June 30, 1978 The Federal Energy Commission issued an order transferring the conditional Certificate of Convenience and Necessity for the Alaska Leg of the pipeline from Alcan Pipeline Co. to Alaskan Northwest Natural Gas Transportation Co.
- June 30 1978 The Alaska State Legislature established the Alaska Gas Pipeline Financing Authority to assist in financing the Alaska highway natural gas pipeline through the issuance of up to \$1 billion in tax-exempt revenue bonds. A change in Sec 103 of the Internal Revenue Code of 1954 would be required for the Authority to sell revenue bonds. The Alaska Gas Pipeline Financing Authority was commonly referred to as the Bonding Authority. The bill was signed by governor July 22, 1978, with an effective date of June 30, 1978. SB 603, HCS-CSSB 603amH
- July 9, 1978 Alaska's oil and gas corporate income tax was established. (HB 322, CSSB 322, SCS CSHB 322 Resources)
- July 12, 1978 The bill creating the Alaska Oil and Gas Conservation Commission, and independent quasi-judicial agency, was signed. This commission took over the responsibilities of the former Division of Oil and Gas Conservation of the Alaska Department of Natural Resources. Te effective Date of the bill was January 1, 1979. (HB 830, SCS CSSSHB 830)

- July 22, 1978 The Alaska State Legislature passed a resolution establishing a joint interim committee on gas pipeline financing to review and consider possible direct investment by the State of Alaska in the Alaska highway gas pipeline project. The committee, in consultation with the governor, would determine if direct state financial participation was in the best interests of the state. If it was, the Committee would propose legislation to authorize up to \$500,000,000 in direct state financial participation. HCS SSR am 102, Legislative Resolve 43.
- July 26, 27 1978 Alaska's Governor Jay Hammond spoke at the Gas Pipeline Seminar in Fairbanks on the 26th, and Anchorage on the 27th. He reported that Northwest Alaskan Pipeline Co. had agreed to work with the State to help put Alaskan contractors in a position to participate in the project, and establishment of job training programs for Alaskans, and reaffirmed the State's right to take its royalty gas in kind, with provision of pipeline taps in Alaska locations to take off natural gas. He also said that he had agreed to propose to the legislature that an Authority be established to sell tax-free bonds to be invested in the project, and that the state study the possibility of direct investment.
- July 27, 1978 Canada's National Energy Board delegated certain of its powers, duties, and functions under the National Energy Board Acts to the Designated Officer of the Northern Pipeline Agency.
- Aug 2, 1978 John McMillian announced the nomination of Senate President, John Rader, to the Board of Directors of Northwest Alaskan Pipeline Co.
- Aug 7, 1978 Susan Fison, formerly director of the Fairbanks North Star Borough Community Information Center, was appointed Director of Socio-Economic Affairs for Northwest Alaskan Pipeline Company.
- Aug 7-15, 1978 Public hearings were held on the draft socioeconomic stipulations developed by the State of Alaska. They were held in Anchorage the 7th, Fairbanks the 9th, Tok the 10th, Barrow the 15th.
- Aug 7, 1978 A public meeting was held in Anchorage Alaska on the draft technical and environmental stipulations for the Alaska Natural Gas Pipeline.
- Aug 9, 1978 A public meeting was held in Fairbanks Alaska on the draft technical and environmental stipulations for the Alaska Natural Gas Pipeline.
- Aug 10, 1978 A public meeting was held in Tok Alaska on the draft technical and environmental stipulations for the Alaska Natural Gas Pipeline.

Aug 15, 1978 A public meeting was held in Barrow Alaska on the draft technical and environmental stipulations for the Alaska Natural Gas Pipeline.

Aug 18, 1978 U.S. Senate Report 95-1126, on gas pricing, was issued.

Aug 19, 1978 Northwest Pipeline Corporation issued Alcan Pipeline Options for Alaska. The report looked at options for later pipelines to serve Fairbanks to Matanuska, and Kenai to Tok.

Aug 24, 1974 The Alaska State Legislature contracted with the University of Alaska Institute of Social and Economic Research to analyze the marketability of North Slope gas and the financeability of the Alaska Highway Gas Transportation System.

Sept 7, 1978 The Joint Interim Gas Pipeline Financing Committee met in Anchorage, AK.

Sept 27, 1978 The U.S. Senate passed the "Natural Gas Policy Act", which contained pricing provisions for North Slope Alaskan Gas.

Oct 2, 1978 Northwest Alaskan Pipeline Co. opened its headquarters in Fairbanks, Alaska.

Oct 5, 1978 Canada's National Energy Board issued a preliminary draft of Proposed Approach to Incentive Rate of Return for the Northern Pipeline.

Oct 8, 1978 Alyeska Pipeline Service Co. received the Industry Conservation Award at the annual meeting of the Alaska Wildlife Federation and Sportsman's Council.

Oct 15, 1978 The U.S. House of Representatives passed the "Natural Gas Policy Act" by a vote of 231 to 168. This act set the pricing status for Alaskan gas.

Oct 19, 1978 Canada's National Energy Board issued its draft proposal for "incentive rate-of-return" for the gas pipeline project.

Oct 25, 1978 The University of Alaska Institute of Social and Economic Research released its contract report An Introduction to the Gas Industry with Special Reference to the Proposed Alaska Highway Gas Pipeline (A Preliminary Report to the Alaska State Legislature) and Marketing and Financial Supplemental Gas: The Outlook for, and Federal Policy Regarding Synthetic Gas, LNG and Alaska Natural Gas. The research was requested in response to requests to the 1977 legislative session for the State of Alaska to participate in the equity financing of the pipeline project.

- Oct 26, 1978 Canada's Northern Pipeline Agency released the second draft of proposed socioeconomic terms and conditions for the Yukon section.
- Oct 31, 1978 The Designated Officer of the Northern Pipeline Agency approved the Landowners Information Booklet.
- Nov 2, 1978 The U.S. Court of Appeals, District of Columbia Circuit, dismissed the appeal filed by Midwestern Gas Transmission Co. and Michigan-Wisconsin Pipe Lines Co. against the Federal Energy Regulatory Commission's approval of import applications filed by Northwest Alaskan Pipeline Co. to import 1.04 billion cu ft/day from Alberta.
- Nov 6, 1978 Northwest Pipeline Corporation, El Paso Natural Gas Co, Pacific Gas Transmission Co., and Pacific Interstate Transmission Co. filed applications before the Federal Energy Regulatory Commission for expansion and improvements on their existing pipelines in preparation for transporting the Canadian gas, as part of the ANGTS system.
- Nov 6, 1978 Northwest Alaskan Pipeline Co. requested Federal Energy Regulatory Commission approval of its contract to sell 240 million cu ft/day of Alberta gas to Pacific Interstate Transmission Co., and 800 million cu ft/day to Northern Natural Gas Co., Panhandle Eastern Pipe Line Co., and United Gas Pipe Line Company.
- Nov 9, 1978 The Natural Gas Policy Act (PL 95-621) was enacted. This act set the wellhead price of Alaskan natural gas at \$1.45 per thousand cubic feet plus monthly inflation allowances.
- Nov 10, 1978 The Joint Interim Gas Pipeline Financing Committee met in San Francisco.
- Nov 15, 1978 Final Draft Environmental and Construction Stipulations (Terms and Conditions) was published in the Federal Register.
- Nov 27, 1978 The Joint Interim Gas Pipeline Financing Committee met in Anchorage, AK.
- Dec 1, 1978 The Federal Energy Regulatory Commission adopted an incentive rate-of-return plan but did not attach values to the factors.
- Dec 5, 1978 Canadian Appeals Court Judges ruled in favor of the Alaska Highway Gas Line. They ruled that the appeal of the Yukon Conservation Society and Council of Yukon Indians of the National Energy Board decision authorizing the pipeline was made academic when Canada and the United States signed the Northern Pipeline Construction Agreement.

- Dec 7, 1978 In a meeting with Amos Matthews , State Pipeline Coordinator, Deputy Commissioner Bush recommended that the Federal Energy Regulatory Commission should consider Fairbanks or the Yukon River area for the gas conditioning plant, rather than the North Slope
- Dec 9, 1978 Kitmat Pipe Line Ltd. of Vancouver (a consortium of Canadian and U.S. Oil Companies) filed an application with the Department of Interior to build and operate a pipeline to carry Alaskan crude oil across Canada to U.S. markets in the midwest.
- Dec 9, 1978 Preparing for Gas Pipeline Impact: A Guide to Health Planning for Upper Tanana Communities in Eastern Interior Alaska by Terry Haynes was released. The report made recommendations to act as guides in health planning activities in the region.
- Dec 18, 1978 The Northwest Alaskan Pipeline Co. submitted route maps to the Department of the Interior and the State of Alaska for approval.
- Dec 29, 1978 The second draft of proposed socioeconomic terms and conditions applying to the northern British Columbia section of the project was released by Canada's Northern Pipeline Agency.