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**STATE PIPELINE
COORDINATORS**

May 27, 2011

Mr. Frederick M. Thompson
State of Alaska Department of Natural Resources
State Pipeline Coordinator's Office
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Anchorage, AK 99501-2343
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Sent Via Email: spco.records@alaska.gov

RE: ADNR right-of-way lease for the Alaska Stand Alone Gas Pipeline
proposed by the Alaska Gasline Development Corporation

Dear Mr. Thompson:

These comments are in response to your public notice¹ on the Alaska Department of Natural Resources right-of-way lease for the Alaska Stand Alone Gas Pipeline proposed by the Alaska Gasline Development Corporation. We are submitting these comments on behalf of the Northern Alaska Environmental Center, a non-profit regional conservation organization based in Fairbanks, Alaska and our 1,500 members most of whom reside in Alaska. These comments supplement public hearing testimony provided in Fairbanks on May 3, 2011.

We will address the public review process and then concerns about avoidable environmental impact.

Our comments address the project summarized by ADNR as follows and described in the ASAP draft Lease and Exhibits:²

The Alaska Stand Alone Gas Pipeline is being planned as an in-state gas pipeline designed to provide long-term, stable supplies of natural gas from the North Slope to Fairbanks and Cook Inlet areas, as well as other communities where practicable. In March of 2010, the Alaska Legislature mandated that a group of industry professionals convene under the corporate banner of Alaska Housing Finance Corporation for the specific purpose of developing, refining and producing an in-state natural gas pipeline Project Plan by July 1, 2011. The focus of the pipeline project is to supply gas to Southcentral Alaska by 2016 to offset the projected supply decline.

Alaska Gasline Development Corporation submitted a revised application dated March 21, 2011, in accordance with the Alaska Right-of-Way Leasing Act, AS 38.35.050, for a proposed Alaska Stand Alone Gas Pipeline/ASAP (ASAP) right-of-way lease.

¹ http://dnr.alaska.gov/commis/pco/documents/ASAP/110323_Notice%20of%20Application%20_%20ASAP.pdf

² <http://dnr.alaska.gov/commis/pco/agdc.htm>

We find it perplexing that ADNR itself has not streamlined public comment and review on this proposed project and has a separate right-of-way public notice per the Alaska Coastal Zone Management Program review that will be open for public comment until June 7, 2011.³ We request that the ADNR right-of-way lease public comment period be extended, at the least, to coincide with that other ADNR public comment period on the exact same project.

Furthermore, the Corps of Engineers has a draft Environmental Impact Statement process underway as required by NEPA.⁴ It is impossible for the State of Alaska to determine whether the ASAP Pipeline ROW lease is in the best interest of the public and in the best interest of Alaska until that EIS is complete, since it will involve an alternatives analysis that should consider not only differences within the route (such as following the existing highway to Fairbanks and south instead of going through Minto Flats State Game Refuge and Tanana Valley State Forest, and the preferred route in the area of Denali National Park) but also will consider the Richardson Highway spur route alternative and the Richardson Highway pre-build alternative (which completely avoid crossing through Denali National Park) as well as other alternatives.

It has been difficult for the public to understand exactly which State lands are involved, since a basic map highlighting state ownership along the route is not provided on the web site or in the brochure materials distributed at the hearing. Because the project cannot be built solely using State right-of-ways, but by necessity needs authorizations from federal, ANCSA corporation, and other private lands for different parts along the route, it is crucial that the state not segment its consideration of this process by providing premature issuance of the ASAP pipeline project rights-of-way leases. Therefore, we urge ADNR to afford the public an additional public comment period on the right-of-way lease after the Corps NEPA process is complete so that an adequate analysis of the public interest can be made. The state's best interest finding on granting the right-of-way lease should also not be made until that time.

We note that the proposed ASAP gasline project is one alternative among many that can meet in-state gas, including propane and liquefied natural gas trucking and gas lines, and other energy needs across the state. There are so many Alaska Natural Gasline projects coming and going with sponsors changing from one public notice to the next that it is hard for the general public to keep track of which project is which. For example, we attended earlier public meetings held by Enstar Natural Gas Company; the relationship of this project with Enstar is murky now but it seems like with the Anchorage focus their corporate needs may be getting inordinate emphasis. Enstar's operations are focused on Anchorage yet this pipeline is theoretically intended for in-state gas to address the needs in Fairbanks as well, and how the project addresses the public interest for all Alaskans. We note that the Alaska Gasline Development Corporation brochure dated 3/9/2011 shows a "Handover from AGDC to Developer" in 2012. The right-of-way lease should not be granted without public review concerning the activities of the actual corporation that would be running the pipelines for decades:

³ <http://dnr.alaska.gov/commis/pco/documents/ASAP/ACMP%20public%20notice.pdf>

⁴ 74 FR 63736-63737, December 4, 2009.

the public should be able to assess the safety and environmental record of the company that would ultimately be obtaining the right-of-way.

Because there are so many projects, and no one public process is comparing the alternatives, we have chosen to evaluate each project using the principles and questions we have developed to guide evaluation of Alaska natural gas pipeline projects on a case by case basis. We will comment in detail on these points for the ASAP pipeline ROW lease ACMP comments and once the Draft EIS is released.

As we noted at the hearing, we are generally supportive of the goal to provide natural gas for instate use, particularly in Fairbanks, from the stranded natural gas of the Prudhoe Bay field -- yet but in this case have major concerns that the route does not follow the existing highway route for the section all the way to Fairbanks and it would affect Denali National Park and the surround area.

If it the route did travel along the existing highway all the way to Fairbanks, not only would the gas end up where Fairbanks utilities and industries need it therefore better serving to reduce coal and oil emissions from our community's power plants, but negative environmental impacts to Minto Flats State Game Refuge and a large stretch of Tanana Valley State Forest would be avoided. This project right-of-way would build new pipeline and road corridor traversing Minto Flats State Game Refuge – an area of high recreational and subsistence values to our region – which would be subject to direct habitat loss, fragmentation of wetlands and other habitats, and defeat the public interest in establishing this Game Refuge. This impact could be avoided completely with a pipeline route along the existing Dalton Highway and trans-Alaska Pipeline route and highway south to Fairbanks.

We are concerned that this ROW route is proposed to run through Denali National Park, and we prefer routes that completely avoid any impacts to Denali NP or its viewshed. The proposed route within the park would result in disturbance from construction, scarring of the land in the access corridor, and risks to human health from the pipeline itself could potentially impact the park visitors who come by the millions annually.

We also are concerned that potential air emissions, including greenhouse gas emissions, are reduced using best available technology, and that these potential impacts are addressed for the entire project.

In conclusion, we request that you extend the public comment period to coincide with the ACMP review period, and do not complete the Best Interest Finding or grant an ADNR right-of-way lease until after completion of the Corps of Engineers NEPA process is complete for the ASAP Pipeline.

Sincerely,



Pamela A. Miller
Arctic Program Director