

We Alaskans can build our own gas line

The deadline to submit bids to build the Alaska natural gas pipeline is at the end of this week. The process established by the Alaska Gasline Inducement Act designed by Gov. Sarah Palin and passed by the Legislature last spring, lays out the steps to be taken.

The state's gas line team will determine if the bids meet all specified requirements, and the proposals will be released to the public for input. After public comment and a thorough review, the state will announce the winning bidder and forward the decision to the Legislature for approval.

This wide-open approach is refreshing after previous closed-door negotiations generated serious distrust in the Alaska public and went nowhere.

I am rooting for the Alaska Gasline Port Authority, a consortium of three communities located along the oil pipeline route. I am not privy to their plans or their proposal, but their leadership is outstanding, and they want to build an All-Alaska LNG system, the concept I believe in.

If their bid falls short, indeed if all bids fail to live up to the expectations of the Alaska people and the requirements of AGIA, there is another valid, and perhaps superior, alternative.

We should build the gas line ourselves.

Two years ago in this column, I advocated this approach, and it is not a new idea. In 1972, Gov. Bill Egan championed a state-built and -owned oil pipeline as the centerpiece of his legislative agenda, but the Legislature balked. A hot oil pipeline had never been built in the Arctic, while a cold, buried gas line today is a much more straightforward undertaking.

Here are the steps to take, some of which were spelled out in my November 2005 column.

First, our governor should inform the industry that Alaska will develop our gas on our terms. I gave the same advice to

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COMMENT



former Gov. Frank Murkowski, but he chose to ignore it. "Don't ask them what they will do," I wrote. "Tell them what they must do."

The next step is for Gov. Palin to decide on the route. I support an all-Alaska gas line from Prudhoe Bay to Valdez for the following reasons: a much sooner start up time, more revenue for the state and municipalities, guaranteed access to the gas by Alaskans, value-added jobs that will last generations and flexible markets for our LNG.

The governor can then invite America's world-class pipeline construction companies to bid on building an Alaska gas line that meets the highest engineering and environmental standards.

This announcement will touch off a wave of excitement and exploration at the North Slope, and the state can hold an "open season," inviting the producers and new explorers to reserve space in the line to carry gas to market.

If the producers refuse to commit the gas they already control, the state must and will seek legal remedy for contract violation. North Slope leases require the producers to sell Alaska's gas if there is a transportation system available that will earn "a reasonable profit."

The state will invite all major financial institutions to finance the line. With an \$18 billion federal loan guarantee, there will be no shortage of takers.

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Once the industry realizes that the state is serious, they will join the project enthusiastically. It is obvious to all that Gov. Palin and her team recognize their constitutional responsibilities, and the people of Alaska are solidly behind them.

A state-built and -owned natural gas pipeline will be no different than the Alaska Railroad, the Marine Highway System, the Ted Stevens International Airport, the Bradley Lake Hydroelectric facility and a dozen other state-owned utilities and transportation entities. They are all part of the infrastructure of our Owner State.

And, in this case, a state-owned gas line will provide enormous benefits to Alaskans as well as to our fellow citizens in the South 48 who urgently need a major new source of clean energy.

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