

1 UNITED STATES OF AMERICA
2 FEDERAL ENERGY REGULATORY COMMISSION
3 Docket No. PF14-21-000

4

5 Alaska Gasline Development Corporation

6 BP Alaska LNG, LLC

7 Exxon Mobile Alaska LNG, LLC

8 TransCanada Alaska Midstream, LP

9

10 Alaska LNG Project

11

12 Morris Thompson Cultural and

13 Visitors Center

14 101 Dunkel Street

15 Fairbanks, Alaska

16

17 Thursday, November 19, 2015

18

19 The public comment meeting, pursuant to notice,

20 began at 6:06 p.m. Before a panel:

21

22 MAGGIE SUTOR, Environmental Project Manager, FERC

23 Also:

24 MARK JENNINGS, Alaska LNG

25

1 P R O C E E D I N G S

2 MS. SUTER: Good evening. On behalf of the
3 Federal Energy Regulatory Commission Staff or FERC, I would
4 like to welcome you all here this evening. This is an
5 Environmental Scoping Meeting for the Alaska LNG Project
6 proposed by Alaska Gasline Development Corporation, BP
7 Alaska LNG, Conoco Phillips Alaska LNG Company, Exxon Mobile
8 Alaska LNG and TransCanada Alaska Midstream. Let the record
9 show that the public scoping meeting in Fairbanks, Alaska
10 began at 6:06 p.m. on November 19, 2015.

11 My name is Maggie Suter and I am an Environmental
12 Project Manager with the Commission's office of Energy
13 projects. With me at the front table over here is Jennifer
14 Lee who is with National Resource Group, an environmental
15 consulting firm who is helping FERC prepare the
16 Environmental Impact Statement or EIS for this Project.
17 Also with FERC this evening at the front sign-in table when
18 you came in are Andrea Thornton and Missy Somers, who are
19 also with NRG.

20 I'd also like to welcome this evening a few State
21 and other Federal Agency representatives. We have Don
22 Perrin with the State Permitting Office. I've got Jewel
23 Bennet with the Fish and Wildlife Service and I've got Tim
24 Lamarr with the Bureau of Land Management. So for the
25 Alaska LNG Project, FERC is the lead Federal Agency with

1 responsibility under the National Environmental Policy Act,
2 or NEPA with responsibility to prepare an Environmental
3 Impact Statement associated with the liquefied natural gas
4 or LNG Terminal and associated natural gas pipelines.

5 The primary purpose of tonight's meeting is to
6 provide you with an opportunity to comment on the project or
7 the environmental issues that you would like to see covered
8 in the EIS. It would help us the most if your comments were
9 as specific as possible regarding potential for
10 environmental impacts, reasonable alternatives for the
11 proposed Alaska LNG Project. These issues can generally
12 focus on environmental impacts but may also address
13 construction issues, mitigation and the environmental review
14 process as a whole.

15 In addition, the meeting was designed to give you
16 an opportunity to meet with Alaska LNG representatives who
17 had a booth set up outside and you can ask them questions
18 and get more detailed information about the project and
19 their proposed facility locations and construction plans.
20 So to start the meeting off this evening, I have asked
21 Alaska LNG to provide you with a brief overview of the
22 Project. After they provide that overview I'm going to give
23 you an overview of FERC's environmental review process and
24 then we are going to invite those of you who wish to make
25 any comments this evening to come on up to the microphone

1 and present your comments. So with that I am going to ask
2 Mark Jennings to come up and give you that project overview.

3 MR. JENNINGS: Thank you, Maggie. Hi Everybody.
4 Thank you for coming tonight. My name is Mark Jennings and
5 I'm with the Alaska LNG Project and I am a socioeconomic
6 advisor on the Project and I'm joined in the room tonight by
7 several colleagues. They are along the back wall. That's
8 Eva Welch, Luke Marody, Elena Antonochos, David Sinclair,
9 Johanna Drare and Clair Joseph. Among us in this room we
10 have varying expertises in pipeline design, lands, the
11 environmental impact statement process, regulatory processes
12 and stakeholder outreach expertise. So, we're available
13 after this meeting to talk with you out in the hallway one
14 on one or however you would like to do it.

15 So I think most of you have a copy of a handout
16 that we had out there and it looks like a PowerPoint
17 presentation in hard copy form. What I'm going to do is I
18 will speak to that. I have essentially the same thing in my
19 hand but I'm going to read from a script that follows this
20 PowerPoint, and the reason I am reading from a script is we
21 have six meetings this week in multiple locations. We have
22 to split our team and we want to make sure that we deliver
23 the same message really in every municipality. So that's
24 why it's going to sound a little bit scripted, because it
25 is. I will try and liven it up a little bit.

1 We are going to start with the project overview
2 map there and this shows the central portion of Alaska from
3 Prudhoe Bay down to Cook Inlet and the Kenai Peninsula, and
4 that is essentially the overview map of this entire project
5 and then there are some statistics and facts about each of
6 the major project elements. I will go ahead and speak to
7 those.

8 As Maggie mentioned a little bit earlier, the
9 Alaska LNG Project is comprised of five participants. It's
10 the State of Alaska through the Alaska Gasline Development
11 Corporation, BP, Conoco-Phillips, Exxon Mobile and
12 TransCanada and through those five participants we've got a
13 core group of about one hundred and thirty full time people
14 working on the project. We've been working on this project
15 now for over two years.

16 So the proposal here, the Project is to take
17 natural gas from the Point Thomson and Prudhoe Bay fields,
18 process that gas through a new gas treatment plant to be
19 located at Prudhoe Bay, transport it down a new eight
20 hundred mile pipeline, a gas transmission pipeline to a new
21 liquefaction facility in Nikiski where it will be liquefied
22 and exported to markets around the globe. Along the way,
23 along the length of this 800-mile pipeline, there will be
24 several off-take points for access to gas for Alaskans, and
25 the State of Alaska Gasline Development Corporation is

1 currently figuring out where those off-takes will be,
2 minimum of five.

3 I'm going to go ahead and flip the page and you
4 can flip back to the project overview at any time. So on
5 the next page we have a rather simplified project schedule
6 with some milestones on it and if you look at the red arrow
7 that's where we are currently in this. This will give you a
8 sort of simplified look at how long a project of this
9 magnitude, how long it takes to make it happen.

10 Currently, right now, we are in the preliminary
11 front end engineering and design phase which is 'Pre-FEED'
12 is the acronym for that, but that really translates to an
13 investigation phase. What we are doing right now is a lot
14 of field work and preliminary design to better define what
15 our facilities are going to look like, where they are going
16 to be located and how much all of this will cost. Currently
17 our estimate runs between 45 and 65 billion dollars but
18 we're working to fine tune that right now and we will be
19 continuing to do so the next year.

20 After this Pre-FEED or investigation phase, when
21 that wraps up, all the owners including the State of Alaska
22 will evaluate the work that's been done to date and make the
23 decision collectively on whether or not to move forward with
24 the design or the detailed engineering phase, that's just
25 called FEED -- Front End Engineering. During that feed or

1 design phase, we fine-tune our engineering, we sort through
2 the land access issues, we work through our comprehensive
3 regulatory process and we better define and begin to roll
4 out our workforce development and contracting strategies.

5 When the design phase and the cost estimates are
6 completed, then we reach another major decision milestone.
7 All the participants will come together to make a decision
8 on whether or not to move forward and construct this
9 project. If that final decision is made, construction
10 begins and that involves the efforts of tens of thousands of
11 people and tens of billions of dollars. I'm going to go
12 ahead and flip the page to the next.

13 So this page shows roughly with the satellite
14 view there the location of this proposed gas treatment plant
15 at Prudhoe Bay and there are some facts there about the
16 processes, facility size and that sort of thing and I'll
17 walk through it here. The natural gas or methane molecules
18 that we are going to be utilizing in this project, they are
19 found on the North Slope, deep below the ground in the
20 fields at Prudhoe Bay and at Point Thomson.

21 Before the gas molecules though can be moved into
22 the pipeline for transmission, they've got to be treated.
23 The project calls for a new gas treatment plant, it will be
24 near West Dock if you are familiar with the Prudhoe Bay
25 area, to strip out the impurities like carbon dioxide and

1 water. The new plant, located at Prudhoe Bay would be the
2 largest gas treatment facility in the Arctic today in the
3 world. The gas treatment facility site is about 200 acres
4 in size and facility construction would require about
5 250,000 tons of steel. It's a very large project.

6 The gas treatment plant will treat about 3.3
7 billion cubic feet per day of natural gas and new gas
8 transmission lines will have to be constructed to transport
9 gas from Prudhoe Bay and from Point Thomson to the gas
10 treatment facility. From that gas treatment plant, after
11 it's been treated, the gas will then be moved into the new
12 pipeline, the gas pipeline. So if you've had a chance to
13 digest that page we will flip to the next one and talk about
14 that pipeline.

15 So here again we find a map that would show the
16 approximate route. You can see it larger on the map we have
17 outside this room after this presentation phase, and there
18 are some facts right there. We will walk through those.

19 So from the gas treatment facility, the treated
20 gas will be moved into a 42-inch diameter pipeline. It
21 rivals the Trans Alaska pipeline in length. We are looking
22 at about 800 miles here but there are several key
23 differences. Obviously, the existing TAPS Pipeline carries
24 crude oil, which comes out of the ground warm by the way,
25 and that's why TAPS is mostly constructed above ground on

1 BSMs.

2 The natural gas, however, that we're talking
3 about comes out of the ground cold and we'll be able to bury
4 most of this Alaska LNG Pipeline throughout the length of
5 the state. Project plans call for the pipeline to run
6 basically alongside the Trans Alaska Pipeline from Prudhoe
7 Bay until about Livengood. From the Livengood area, it's
8 going to turn south and head directly to Cook Inlet. Along
9 the way, the pipeline would need eight compressor stations
10 to provide pressure and maintain temperature to keep the gas
11 flowing.

12 We have an 800-mile pipeline and we need eight
13 compressor stations. You can figure about one compressor
14 station about every 100 miles. There are on right-of-way
15 facilities and off right-of-way facilities associated with
16 this project. The on right-of-way facilities would be
17 anything right along the pipeline route, and that would
18 include the compressor stations because they become an
19 integral part of that pipeline. But we have off
20 right-of-way facilities to design and locate and engineer
21 and that sort of thing; and off right-of-way facilities
22 include temporary work camps, access roads, pipe storage
23 yards, railroad signs, that sort of thing.

24 We're working on all of those aspects right now
25 on the Project. That's ongoing field work, and we're

1 discussing this with local communities and agencies and we
2 intend to come back after the first of the year and be able
3 to locate where those off right-of-way facilities are going
4 to be. There are plans for at least five off-take points
5 along the pipeline, the location of which is currently being
6 decided by the State of Alaska. The idea behind this is to
7 make the gas available along the route with the hope that it
8 could help lower local energy costs.

9 So once the pipeline reaches Cook Inlet, we are
10 going to cross beneath Cook Inlet on the floor of the inlet
11 near the Tanana - Beluga area. That's where the pipeline
12 will enter Cook Inlet at this vicinity, cross the inlet and
13 into the brand new liquefaction facility in Nikiski. The
14 pipeline will exit Cook Inlet at a place called Boulder
15 Point roughly in that area and then just have to go an
16 additional couple miles to get to Nikiski.

17 I'm going to flip one last time here. We can
18 talk about the LNG plant in the Marine Terminal. So in the
19 image that you see there, there is an artist's rendering of
20 what the LNG facility would look like. This would be a look
21 from say an airplane just to the east of the facility
22 looking west toward Cook Inlet but you can kind of see the
23 layout there, you can see the storage tanks, you can see the
24 trestle extending out into the inlet with some ship berths,
25 so I will go ahead and talk us through that.

1 What we intend to do with the gas is convert it
2 from a natural gas to a liquid before we load it on LNG
3 carriers to carry it to markets around the world. The point
4 of liquefaction really is to change its state from a gas to
5 a liquid which makes it much, much more efficient to
6 transport. When you chill the gas to negative two hundred
7 and sixty degree Fahrenheit, which is remarkably cold, what
8 you can do is shrink it and in terms of volume by six
9 hundred times. If you have one ship of LNG, it would take
10 six hundred equivalent ships to just carry natural gas at
11 atmospheric pressure to carry the same load essentially. So
12 you see it makes a lot of sense to liquefy the gas first for
13 transport. Plans currently call for approximately fifteen
14 to twenty LNG carriers a month to transport LNG from the
15 Nikiski Plant. Something that probably a lot of you in the
16 room know but some of you don't know is that Conoco Phillips
17 has operated a smaller LNG plant in Nikiski now for over
18 forty years. This has been operated successfully. That
19 plant's been taking gas from Cook Inlet and exporting it to
20 markets in Asia. So we know that Nikiski is a good location
21 to make an LNG facility and can be internally operated
22 efficiently.

23 For this proposed LNG site, twenty locations in
24 Alaska were previously studied and the Nikiski site was
25 chosen after looking at numerous issues such as geotechnical

1 risks, access to infrastructure and industrial services, a
2 location with approximately eight hundred relatively flat
3 acres that we work with, predictability and consistency of
4 the weather, the water depth, depth imagery and ice buildup.
5 Alaska LNG has been purchasing or acquiring land and signing
6 lease purchase agreements or purchase sale agreements rather
7 in the Nikiski area for about the last year and a half and
8 we currently have about six hundred acres under control at
9 the proposed LNG facility.

10 That's all I've got. If you need a little more
11 factual information, take a look at the slides that you've
12 got there. Each one of those has some good information
13 about these major components about the Project. Any
14 questions we are happy to try and answer you after the
15 meeting right outside this door. Thank you very much.

16 (Applause)

17 MS. SUTER: Thank you, Mark. So as Mark
18 mentioned, after the formal portion of this meeting is over,
19 Alaska LNG Representatives will hang around with their maps
20 and answer questions. FERC staff will also be around and
21 able to answer any additional questions that we can.

22 Now I am going to briefly go over the
23 Environmental Review Process and to illustrate how that
24 process works we have a wonderful flowchart over here. This
25 flow chart is not to scale and time, it's designed to get

1 all of the steps on one page. There is a much larger
2 version of this flowchart out at the front table for you if
3 you're interested in taking a look at it. It was also
4 including in the notice of intent that was mailed out and we
5 have extra copies of that also available at the front table
6 if you're interested.

7 The main point of this flowchart is to
8 demonstrate that we are very early on in our process. We're
9 in what we call the pre-filing process. Alaska LNG entered
10 the pre-filing process on September 12, 2014. That process
11 began our review of the Project. The purpose of pre-filing
12 is to encourage the involvement of all interested
13 stakeholders in a manner that would allow for the early
14 identification and resolution of issues. As of today, no
15 formal application has been submitted with the Commission,
16 however the FERC along with other Federal, State and local
17 agencies have begun our review of the Project.

18 On March 4, 2015 is what we issued that Notice of
19 Intent, or NOI to prepare an EIS for this project. That
20 initiated a public scoping period. The public scoping or
21 comment period will end on December 4, 2015. Once that
22 scoping period is finished, our next step is going to be to
23 begin analyzing the issues that were identified during that
24 scoping period. We will assess the Project's effects on:
25 water bodies and wetlands, vegetation and wildlife,

1 threatened and endangered species, cultural resources,
2 soils, land use, air quality and noise, safety, health,
3 subsistence, socioeconomic impacts and we will also evaluate
4 impacts from alternative sites.

5 During our review, we will assemble information
6 from a variety of sources that will include information
7 provided by Alaska LNG along with information that will be
8 obtained from other Federal, State and local agencies and
9 our own field work and independent analysis. We will
10 analyze all that information and prepare a draft
11 Environmental Impact Statement. That draft EIS will be
12 distributed to the public for comment. During that comment
13 period on the draft EIS, we're going to come out again and
14 do meetings just like we are this evening and that's going
15 to help us gather feedback on the analysis and findings that
16 we made in that draft EIS.

17 After making any necessary changes to the
18 document or additions, a final Environmental Impact
19 Statement will be distributed to the public. I'm going to
20 note that because of the size of this Project and the
21 mailing list along with our efforts to reduce paper and
22 costs, the EIS that we send out is on a CD. If you prefer
23 to have a hard copy of that document you need to tell us
24 that. There are two ways to do that. You can sign in at
25 the front table and there's a box you can check to indicate

1 you prefer to have a hard copy.

2 The other option is in the Notice of Intent that
3 was sent out to you. There was a form on the very back page
4 that you can mail in to us. That would both let you be
5 added to our mailing list if you need to and it also has a
6 box that you can check and that box would indicate that you
7 prefer to have a hard copy. We are more than happy to mail
8 one out. If you receive that Notice of Intent in the mail
9 or you may have more recently received a project update
10 brochure then you are on our mailing list and will continue
11 to remain on our mailing list throughout the entire process.

12 If you do not receive those documents, then you
13 are more likely not currently on our mailing list but you
14 can get added to the mailing list by signing up at the front
15 table if you are interested. We mail the NOI to our
16 environmental mailing list however it is constantly
17 undergoing revision so again I'd like to encourage you to
18 sign in if you would like to make sure that you're on that
19 mailing list. There are many ways for you to participate in
20 our process. Tonight's meeting is just one of those where
21 you can come up to the mic and give some verbal comments to
22 us.

23 However, if you're a little speaking shy and
24 would prefer just to submit them in writing, there are
25 multiple ways that you can do that. You can submit them

1 electronically through our website or you can mail in
2 copies. There are forms at the front table and that Notice
3 of Intent give you instructions on how to do that. It is
4 very important that if you mail in comments or submit them
5 electronically that your comments include our internal
6 docket number for this project. That docket number is
7 PF14-21. Including that docket number on anything you
8 submit to us ensures that the FERC staff evaluating this
9 Project gets your comments as soon as possible.

10 It's important to understand that EIS is being
11 prepared to disclose to the public and to our Commissioners
12 what the environmental impact of constructing and operating
13 this planned project would be. The EIS is not a decision
14 document and it does not constitute approval of the Project.
15 After the final EIS is issued, there are up to five
16 Commissioners at FERC who are responsible for making a
17 determination on whether to issue an authorization to Alaska
18 LNG for this Project.

19 The Commissioners will consider the environmental
20 information from the EIS but they will also look at
21 non-environmental issues in making their decision to approve
22 or deny the Project. So that gives you a very quick and
23 brief overview of the environmental review process and I
24 would like to make sure we now have an opportunity to take
25 your comments. You can ask questions about our

1 Environmental Review Process and I will try to answer as
2 many of those as I can if there is anything that I haven't
3 already answered for you.

4 I'd like to note this evening that we are having
5 recording through a transcription service. This is being
6 done so that all of your comments and questions along with
7 my opening remarks can be transcribed and placed into the
8 public record, you can go down and see those and all of the
9 FERC Staff who are reviewing this project can go back and
10 actually read what was said and they are not hearing it from
11 an interpretation of a comment.

12 So we would like to help the court reporter
13 produce the most accurate record possible so I'm going to
14 ask that we follow a few basic ground rules. First, I am
15 going to ask that we silence or turn off your cell phones so
16 that it doesn't disrupt the speaker or the recording of
17 anything that's being said. We are going to call speakers
18 from their numbered order from how they may have received a
19 ticket at the front table. If there's time after we go
20 through those and someone would like to come and speak I
21 will open it up for additional speakers.

22 When you come up, because you have a numbered
23 ticket, we ask that you please say and spell your name for
24 the record. Also I ask that you may please define any
25 acronyms that you may use and most importantly I ask that

1 everybody here please show respect for the person speaking.
2 It's not always easy to come up to the microphone and
3 present comments in front of a room of people so if you want
4 to show your sign of support or if any case if you disagree,
5 I ask that you wait until the person is done speaking so
6 that they can get through all of their comments this
7 evening.

8 There is no official time limit for speakers as
9 we don't have too many of you signed up at this point in
10 time, but I would like everyone here to recognize that I do
11 intend to open this up for speakers after the initial list,
12 so try to summarize your comments this evening and then I
13 encourage you to submit more detailed comments on the
14 written record later.

15 With that, I think we're ready to call our first
16 speaker. I am going to ask for number one to come on up.
17 One final note, this does not go up and down but you can
18 tilt the mic up and down to reach your height. So, do I
19 have number one?

20 MR. MAYO: Thank you. My name is Randy Mayo,
21 Stephens Village Tribal Member, Shareholder of our Village
22 Corporation and a private landowner upon the Yukon River in
23 the proposed area. I just wanted to mention that I had
24 participated in earlier proceedings as the former first
25 Chief of the Tribal Government and the President of the

1 Village Corporation and I would just like to offer some
2 comments and some concerns as a citizen right now. My use
3 area, as I mentioned is up in the proposed area and you
4 know, I would just kind of like to see that the footprint of
5 the activity you know be somewhat contained to the utility
6 corridor and that the environmental integrity, that the
7 activity be carried out to minimize impacts. Already,
8 since the beginning of the hauler road and the pump stations
9 and the oil pipeline there have been impacts to the
10 subsistence resources and access created that has caused
11 some user conflicts up in our area. I just will make a
12 couple of those comments right now and submit more written
13 comments. Back earlier, under my former capacity working in
14 conjunction with the Tanana Chiefs Conference that these are
15 just a couple of concerns that I have as a citizen now that
16 kind of echo was presented earlier under my former official
17 capacities.

18 I would like to submit a couple of these things
19 for the record. Thank you.

20 MS. SUTER: Thank you. Do I have a number two?

21 MR. STEWART: Good evening. My name is Jomo
22 Stewart, that's J-O-M-O S-T-E-W-A-R-T. I'm the Energy
23 Project Manager for the Fairbanks Economic Development
24 Corporation; however, most of my comments are my own. I
25 haven't gotten clearance from the board or the president.

1 For what I do have absolute clearance is the Fairbanks
2 Economic Development Corporation along with most people I
3 think in the State of Alaska are very supportive of this
4 project, very supportive.

5 I do have personally I can only speak for myself
6 from here on out, have one concern. One of the best ways
7 or easiest ways to minimize negative environmental impacts
8 is to adhere to existing rights-of-way infrastructure and
9 for the most part the Project appears to do so except for
10 one section from the Livengood to Nenana where the pipeline
11 deviates from the existing infrastructure and cuts across
12 the Minto Flats.

13 Specifically, that would be a milepost on the
14 pipeline itself, 398-399 where it jogs to the right. I
15 believe one of the ways we could minimize that section of
16 the environmental impact would be to adhere to the existing
17 rights-of-way and road system by going down the existing
18 roads, the LE Highway down to the Wilsons. You could
19 thereby bring the pipeline closer to town.

20 Checking the Google map I saw that if you came
21 down that way, there is a section of road, it would be just
22 the east of town. It's called Old Murphy Dome Road. It is
23 the existing right-of-way. It also has an existing
24 firebreak that was put in several years ago by the Feds, a
25 thousand feet wide. This looks like the perfect right of

1 way for a pipeline. It will allow the pipeline to come
2 closer to town, avoiding those sensitive environmental areas
3 that are currently pristine.

4 We would have a commensurate socioeconomic
5 positive impact on the community and the pipeline will be
6 closure, so we wouldn't need as long of a lateral to
7 actually be able to attach into the gas. Air quality is a
8 big issue, a lateral is going to cost money. We're going to
9 have to pay for it. Anything that reduces the cost of the
10 gas of course makes the gas more attractive.

11 Natural gas is actually what we are all hoping
12 for and hoping to use to mitigate our air quality issues but
13 it will only serve to mitigate those air quality issues if
14 it is inexpensive enough to compete with the wood that is
15 actually driving our air quality issues. So again, you
16 could bring the pipeline closer to town. You could use
17 existing rights-of-way and minimize the environmental
18 impacts so we would hope that within the EIS you all would
19 do an assessment of that alternative routing. Thank you.

20 MS. SUTER: Thank you. We will be evaluating a
21 plethora of alternatives between the entire route, each of
22 the terminal locations and the GTP site on the North Slope,
23 we will be evaluating a significant amount of alternatives.
24 Number three?

25 MR. GOHLKE: Good evening. My name is Karl

1 Gohlke, Karl with a K, G-O-H-L-K-E. Good evening. My name
2 is Karl Gohlke with Mechanical Contractors of Fairbanks.
3 This is an organization of fifteen mechanical contractors
4 who provide quality service in industrial and commercial
5 area of plumbing, heating, design, control and all phases of
6 industrial piping. From the Interior of Alaska to the North
7 Slope using technically skilled and qualified labor hands.

8 Mechanical Contractors of Fairbanks support the
9 Alaska LNG Project. This Project comes at a time to
10 rejuvenate the Alaska economy and provide another Alaskan
11 resource to the international markets. It will be the
12 largest infrastructure investment in Alaska's history
13 estimated between forty-five to sixty-five billion dollars
14 or less. It has the potential to create somewhere between
15 nine thousand to fifteen thousand jobs from design and
16 construction and another one thousand long-term operational
17 jobs.

18 You can also figure for every one direct job,
19 twenty other jobs are affected in the Alaskan economy. The
20 initial analysis identified nine key crafts: Boilermakers,
21 pipefitters, iron workers, carpenters, electricians,
22 laborers, operating engineers and Teamsters. Our
23 organization members work with several of these key crafts.
24 The Alaskan investment in this liquid natural gas project
25 opens the market to spur further exploration from the North

1 Slope to Cook Inlet eventually leading to more industrial
2 activities, more employment and more economic development.

3 All of Alaska will have a greater opportunity to
4 have natural gas. Along the 806-mile pipeline, five
5 take-off points have been identified to make gas available
6 to other communities and developing mines. It would,
7 however, benefit the Fairbanks the second largest city in
8 Alaska to have the pipeline come just on the outskirts of
9 the community rather than build a separate off-take thirty
10 plus miles east of the pipeline.

11 From the last Committee update in September of
12 2015, it was briefed that the gas treatment plant initial
13 design scope was at eighty-six percent complete. The
14 pipeline initial design scope is at seventy-six percent
15 complete. LNG Plant and Marine Terminal was seventy-two
16 percent complete and the integrated logistic and
17 infrastructure analysis was one hundred percent complete. I
18 wanted to let you know that the members of the Mechanical
19 Contractors of Fairbanks are one hundred percent ready to
20 start this project. Thank you for the opportunity to
21 address our support.

22 MS. SUTER: Thank you. Do I have a number four?

23 AUDIENCE: You do.

24 MR. PEIRCE: Good evening. I was expecting a
25 little table or something to --

1 MS. SUTER: It doesn't go up and down. You're
2 only going to be able to tilt it.

3 MR. PEIRCE: Good evening and welcome. My name
4 is Merrick Peirce M-E-R-R-I-C-K P-E-I-R-C-E. Welcome, I'm
5 glad you're here. Been looking forward to this meeting for
6 about two years. I serve on the board of a public entity,
7 the Alaska Gasline Port Authority and the mandate provided
8 to us by the voters in this community is that we build or
9 cause to be built a large diameter gas line from Prudhoe Bay
10 to Valdez where we would liquefy the natural gas.

11 I may be one of the only people tonight that will
12 point out that the community, Fairbanks North Star Borough
13 with about one hundred thousand people the voters
14 specifically said they wanted a large diameter gas line
15 through this community to Valdez. That's what the voters
16 have spoken for and that's what I represent, my fiduciary
17 obligation. Unlike other communities that may express NIMBY
18 or not in my backyard syndrome when a project like this is
19 proposed, this community takes the opposite view.

20 We want the gas line in our community, following
21 a permitted and previously approved TAPS corridor. With
22 regard to the scoping meetings, which are sponsored by FERC
23 and are utilized by staff to identify relevant issues of
24 major certificate projects pursuant to the National
25 Environmental Protection Act or NEPA, scoping is the process

1 of the finding and refining of a scope with an Environmental
2 Impact Statement or EIS or environmental assessment or the
3 alternatives to be investigated.

4 When the Valdez route was proposed in 1988 and
5 again in 1995, FERC considered Cook an alternative route to
6 Boulder Point, which we now call Nikiski. Now with a Cook
7 Inlet route to Nikiski proposed, FERC should consider the
8 Valdez route alternative. So a little background before I
9 get into the specifics of the alternatives. The political
10 power of this state rests with the major population that
11 resides in Anchorage, or more generically, South Central
12 Alaska. It finally became clear to legislators that a large
13 diameter gas line that would be built to convey gas to the
14 lower forty-eight was not economic, made no economic sense,
15 then an LNG Export Project was the only Project that makes
16 sense.

17 Legislators arbitrarily decided upon a route for
18 this project where this pipeline would bypass Fairbanks and
19 travel on the Parks Highway to South Central. This decision
20 was made without regard to what Federal law requires of
21 NEPA, as I will explain with great specificity tonight. I
22 will say generically, getting affordable, clean, natural gas
23 to Fairbanks is literally a matter of life and death. The
24 air quality in Fairbanks North Pole during the winter months
25 is some of the highest PM 2.5 particulate levels in the

1 United States and on some days it is the worst air quality
2 on the planet, worse than even some of the heavily polluted
3 cities of China and India.

4 The reason for this is multifold. Firewood is
5 seen as a cheap fuel for people to heat their homes, this
6 heating method combined with extreme cold temperatures,
7 temperature inversions, little wind and hills that surround
8 the Fairbanks Valley trap these microscopic particulates in
9 the air that we breathe. These high particulate levels
10 violate the National land and Air Quality Standards, Clean
11 Air Act Provisions and the estimates are that these
12 extremely high pollution levels contribute to the premature
13 death of fifty to one hundred people per year over their
14 lifetimes per year.

15 With a gas line route that does not provide this
16 community with proximate access to a gasline, very expensive
17 spur lines must be constructed. The cost of these to convey
18 gas to as far away as North Pole from Dunbar Alaska can
19 easily exceed one hundred million dollars. This enormous
20 cost would have to be paid for by gas consumers buy in the
21 form of higher-priced gas. More expensive infrastructure
22 leads to more expensive gas. There is no free lunch.

23 The second results in gas costing more and leads
24 to more and leads to more people to stay with high
25 particulate creating firewood. It's real simple. The more

1 firewood that gets burned the worse the air quality. There
2 is a wide body of research that documents in a quantitative
3 way the increased morbidity and mortality associated with
4 high particulates. Some of the most recent research on this
5 was released this year by the British Medical Journal. This
6 whole summer has led up to this point.

7 The further away the pipeline is to Fairbanks,
8 the more expensive the gas, the dirtier the air and the more
9 people who will get sick and die. I want to get real
10 specific about what we're talking about here. We're talking
11 about the medical issues that range from lung cancer, heart
12 attacks, strokes and asthma among the few. So we avoid
13 these problems with the pipeline that comes directly through
14 our community following the TAPS Corridor and I want to note
15 that Anchorage, it doesn't really matter to anchorage where
16 the pipeline goes because they already have cheap natural
17 gas from the Cook Inlet. They have a nineteen trillion
18 cubic foot supply and some of the cheapest gas in the United
19 States.

20 I want to talk a little bit about what FERC has
21 already done when you evaluated this project or at the
22 concept of an LNG Project to export from Alaska. To develop
23 this route, it was found to be more favorable than both the
24 1988 and 1995 FERC EISs and I just want to hold this up.
25 You'll get a lot more detail in my written testimony but

1 what I'm holding up is the FERC findings from the 1988 Yukon
2 Pacific Corporation EIS. In this whole elaborate process,
3 they went through the alternative analysis that I'm speaking
4 to tonight and they found very clearly that the best
5 alternative for Alaska is the Project to Valdez.

6 FERC has previously found the existing TAPS
7 right-of-way route to Valdez was the superior route when
8 compared to a new route to the Cook Inlet. First, we have
9 to look at the TAPS line, the Trans Alaska Pipeline System
10 which is an oil pipeline that was build after NEPA was
11 passed into law in 1970 and they went through that EIS
12 process and they found that was the right corridor for
13 Alaska to convey oil to the foreign markets and to the lower
14 forty-eight.

15 In 1988, the Trans Alaska Pipeline System EIS
16 which I have reference here found that the route is
17 substantially similar to the AK LNG gas line was considered
18 based upon FERC criteria for the pipeline. The LNG Plant
19 and Marine Terminal in Valdez was found to be favorable or
20 moderately favorable for all criteria. Comparison of the
21 criteria clearly favors Valdez. Valdez is found to be more
22 favorable in the Cook Inlet for fifteen out of twenty-seven
23 criteria, the same level of favorability for nine hundred
24 and twenty-seven and less favorable for three out of the
25 twenty-seven criteria.

1 Out of the twenty-seven criteria, Valdez was
2 found to be favorable for nineteen criteria and moderately
3 favorable for eight criteria. Cook Inlet was found to be
4 favorable for only seven criteria, moderately favorable for
5 fourteen criteria, unfavorable for five criteria and highly
6 favorable for one criteria. I am going to give you some
7 very specific examples of some of these criteria.

8 When they looked at the Project at Valdez, they
9 felt that project had a minimum length of pipeline, had a
10 maximum use of existing infrastructure, had a maximum use of
11 proven construction techniques, maximized opportunity for
12 parallel construction techniques, minimized potential
13 conflicts with sensitive environments, maximized
14 compatibility with current and planned land use, minimized
15 the number of water crossings, avoided permitting conflicts,
16 minimized potential threat to National security.

17 Again to bring Valdez to Cook and the
18 alternatives, will continue the adequacy of available land
19 is better in Valdez, to avoid areas of poor foundation
20 characteristics is better for Valdez, avoid sites
21 potentially exposed to seismic sea waves, it minimized the
22 length of the pipeline to the marine terminal and public
23 safety considerations were found to be far superior for
24 Valdez.

25 Again, we went through this process in 1995 with

1 Yukon Pacific EIS, relied on the same criteria utilized in
2 the 1988 TAGS EIS. Again, the 1995 Yukon Pacific EIS
3 concluded the Valdez route was the most suitable. With
4 regard to the Alaska Pipeline Project that we see most
5 recently, we've looked at routing consideration in Valdez
6 and a large diameter gas line through all forty-eight and
7 Canada. Through that process under NOAA, in 2012 we found
8 significant market interest to Valdez markets have seen that
9 that project as the most economic.

10 The environmental reasons for the Valdez route
11 are superior when you start considering the endangered Cook
12 Inlet Beluga Whales. You know the National Marine Fisheries
13 Services issued five criteria to protect Beluga whales.
14 Those criteria are so difficult and so demanding that it is
15 very difficult to put a project in the Cook Inlet. So both
16 alternative routes considered are currently proposed by AK
17 LNG require laying pipe across and building the terminal
18 within the Cook Inlet beluga-critical habitat as designated
19 by NOAA or the National Oceanographic and Atmospheric
20 Administration.

21 When the Beluga whale was listed as endangered,
22 the impact is not only during construction but also as a
23 result of increased vessel traffic and increased risk of
24 exposure to a spill. A route to Valdez avoids this conflict
25 entirely. The Valdez route minimizes the environmental

1 impact, it utilizes the TAPS Trans Alaska Pipeline System
2 right-of-way to Valdez, with resultant far less clearing and
3 grading for access roads and camps and to lay the pipe
4 itself.

5 Previously proposed natural gas pipelines from
6 Prudhoe Bay to Valdez have been designated to be located
7 almost entirely within the BLM Designated Utility Corridor,
8 developed for the TAPS Project. It utilized former TAPS
9 construction camp sites; they utilize existing access roads
10 and repair abandoned access roads. The currently proposed
11 route requires a new right-of-way and this new right-of-way
12 requires additional river crossings over the Susitna, which
13 could impact salmon populations.

14 The new route that was proposed by AK LNG crosses
15 the Minto Flats which are actually known wetlands with their
16 own set of criteria which is a heavily used subsistence area
17 and the location of the Minto fault lines which are
18 seismically active faults. This raises concerns regarding
19 the effect of seismic activity on a buried LNG pipe in a
20 seismically active and environmentally sensitive area. AK
21 LNG routing disturbs environmentally sensitive wetland areas
22 in Minto Flats and the lower Susitna.

23 The Valdez Route is superior for health and
24 safety reasons. The Cook Inlet poses greater security and
25 safety risks. The Cook Inlet is not ice-free. Ice

1 formations in the Cook Inlet have been documented as
2 exerting strong forces against vessels and increased
3 maritime incidents and constrain operational windows. Cook
4 Inlet has extreme tides that exert forces on moored and
5 underway vessels and limit the time and place large vessel
6 movements may occur. Increased vessel traffic would of
7 course pose safety risks. The 1988 TAGS FEIS found the
8 'Increased LNG tanker traffic in the lower Cook Inlet area
9 may require installation of a vessel traffic system similar
10 to that now existing at Port Valdez.

11 At present, the LNG and oil tanker volumes in
12 combination with other commercial and recreational traffic
13 have not been sufficient to require the stringent system
14 used at Valdez. Valdez provides greater safety advantages.
15 It's ice-free year-round, tides have less effect on vessel
16 traffic as Port Valdez is deeper. It is about eight hundred
17 foot in depth. The surge in robust Coast Guard Vessel
18 Management tracking system are in place.

19 I have been the secure facility and nothing moves
20 in the Prince William Sound without the Coast Guard knowing
21 what's going on. It's an incredibly elaborate and
22 well-designed facility that we should be utilizing for this
23 project. There was a marine pilot study that I will
24 reference that was done by Safeguard Marine that found that
25 Valdez is the preferred location for an LNG terminal based

1 upon the experience and expertise of the Marine Pilot Study.

2 A survey of experienced Alaska Marine Pilots
3 revealed a strong preference for Valdez with over sixty
4 percent of the respondents stating that Cook Inlet should
5 not even be considered. I will say it one more time. Sixty
6 percent of the marine pilots thought Cook Inlet should not
7 even be considered, over eighty percent stating that the
8 Nikiski poses risk and ten percent stating that Valdez poses
9 risk.

10 The Valdez route is superior for economic
11 reasons. Of course we could talk about the monetary return
12 to Alaska, cost savings associated with the Valdez route
13 utilization of existing infrastructure and avoiding
14 environmentally sensitive areas that increase cost, result
15 in greater monetary return to the State of Alaska and its
16 citizens. Some of the preliminary analysis has been
17 conducted to show the net-back to Alaska, finds that a route
18 to Nikiski could result in at least three hundred million
19 dollars of reduced net-back to Alaska because of the greater
20 cost of that project. That's roughly equivalent of asking
21 Alaskans to pay an income tax just to subsidize an inferior
22 route to Nikiski.

23 None of this is consistent with the Alaska
24 Constitution. Article 8 makes it very clear that as we
25 develop our natural resources, the Constitution requires

1 that we have a maximum benefit to Alaskas. So even if we
2 wanted to go to Nikiski, the Constitution doesn't allow us
3 if the net-back is deficient and the preliminary analysis
4 that we've seen shows that it is. Again, considering the
5 Valdez route is superior for economic reasons.

6 We know that Fairbanks suffers from incredibly
7 high energy costs and will negatively impact the economy,
8 poor air quality due to the over-reliance on wood and
9 heating oil.

10 And on the last point that I will offer today,
11 and I thank you for your time. With the routing that
12 follows the Richardson Highway, we ensure that our military
13 bases, Eielson Air Force Base and particularly National
14 Missile Defense should really have proximate access to
15 clean, natural gas.

16 Now in my discussion with Air Force Officials,
17 they really like the idea of having natural gas because the
18 Air Force is under mandate under Federal law that requires
19 that they try to derive their jet fuel from sources that are
20 other than crude oil. So if we can provide to the military,
21 particularly to the Air Force, a proximate access to a large
22 diameter gas line, it opens the opportunity for the Air
23 Force to be able to make jet fuel using an efficient
24 catalytic process so that they have ultra-pure jet fuel
25 derived from natural gas.

1 That concludes my testimony. Thank you very much
2 for your time.

3 MS. SUTER: Thank you. Was there a number five?
4 Alright, come on down.

5 MR. HAAGENSON: Hello, my name is Stephen
6 Haagenson. My last name is spelled H-A-A-G-E-N-S-O-N. I
7 want to give my wholehearted support to the AK Alaska LNG
8 Project and I would ask you to do anything you can to
9 accelerate the project so we can get gas to Fairbanks
10 faster. I also want to share an observation that all of the
11 routes and the terminal points that you heard earlier in the
12 presentation are not cast in concrete. They are all
13 flexible. Part of this process is to look at alternatives
14 to figure out how to get there.

15 So what's the ultimate goal of this project? I
16 believe it's to get natural gas from Prudhoe Bay to
17 Tidewater. It doesn't say to Anchorage, doesn't say
18 anything else, just Tidewater; so your job will be to apply
19 NEPA Process, go through the evaluation, look at all the
20 different terminal points that make sense, look at all the
21 routes that make sense, go through the evaluation and all
22 the criteria required for NEPA, and I suspect at the end of
23 that process you will come up with a very good route that
24 will have the least environmental impacts possible.

25 So I want to thank you in advance for following

1 the NEPA Process, going through the alternative analysis
2 including them as you evaluate this Project. Thank you.

3 MS. SUTER: Thank you. Is there a number six?

4 MR. PRUSAK: Good evening. My name is David
5 Prusak, that's spelled P-R-U-S-A-K. First of all, I would
6 like to thank you for the opportunity for the consideration
7 of this Project. I'm a large supporter of it and very
8 interested as others have spoken for the need of energy to
9 the community. In the early presentations for the Project
10 as they talked about one of the goals of the Project as they
11 talked of the five off-take locations to provide energy to
12 the citizens of the state to be able to bring a lower-cost
13 energy is imperative both from an economic standpoint as
14 well as from an environmentally sensitive standpoint and
15 that consideration means a lot to us here in Fairbanks and
16 so we are large supporters of the project and we would love
17 to be able to see this brought to fruition and be
18 successful.

19 With that being said, I guess what I would like
20 to focus on specifically is consideration for the routing
21 near the Fairbanks area. In the presentation earlier, it
22 talked about the pipeline going along the TAPS corridor to
23 Livengood and then turning south to the Cook Inlet, Mark's
24 words in describing that, and you look at those
25 environmental impacts and being spoken about the aspect what

1 footprint they have, the consideration of following the TAPS
2 pipeline route toward Fairbanks certainly ought to be a
3 consideration and certainly one that would be supported, I
4 feel, from within the community itself.

5 As you go through that NEPA Process and looking
6 at those environmental factors as well as those
7 socioeconomic factors, clearly you will find, I sense that
8 you will find a much greater benefit going along that route
9 consideration that would bring it through Fairbanks.
10 Whatever direction it may go beyond that point really isn't
11 what I'm here to speak on but looking at that route.

12 I have attended several of the open houses that
13 have occurred as part of the Alaska LNG Project but when
14 I've inquired about it, it sounds like the routing is -- I
15 have asked about 'Why are you going through Minto Flats?
16 Why are you not looking at coming through, into Fairbanks?'
17 Predominantly, it's driven by, it's cheaper. It's cheaper
18 for us to build that pipeline. It really doesn't take into
19 consideration the fact that you would have to build an
20 out-take line to bring it into Fairbanks and considering the
21 population base that we have here, trying to be able to pay
22 for that, what's its impact means for more expensive gas for
23 us. All considerations that really need to be taken into
24 account as you look at alternatives for the route.

25 Really, I'm grateful for this process but that

1 consideration is really key to us here in the Fairbanks
2 area. I look forward to having you look at that as part of
3 the considerations. I believe it is much more broad than
4 what the Project team is. I don't mean to say that it's
5 wrong for what the Project team is doing, they're doing a
6 great job with lots of our people but it isn't just about
7 the economics and that NEPA process certainly understands
8 that along the path.

9 We know that. You have support here in the
10 community to be able to bring it to the community. We
11 believe the footprint will be less. We feel it will be
12 cheaper and the socioeconomic benefits will be greater.
13 Thank you for the consideration, that concludes my comments.

14 MS. SUTER: Thank you. You guys really want it
15 here, huh? Is there a number seven?

16 MR. SOLIE: Thank you. My name is Rick Solie,
17 that's S-O-L-I-E, and I'm here representing the Greater
18 Fairbanks Chamber of Commerce. I am the Chair of the Energy
19 Committee for the Chamber and the local Chamber is a group
20 of over seven hundred businesses in the Fairbanks community.

21 I might also make a remark regarding the business
22 that I work for as their Manager of Investor and Government
23 Affairs, 'Towerhill Mines, Livengood Gold Project and
24 finally a couple personal remarks.

25 On behalf of the Chamber, we have for years

1 supported a gas pipeline. We believe that it will bring
2 economic opportunities for the Fairbanks community, both in
3 the form of jobs but also lower-cost energy and we also
4 believe there is revenues for the local governments and
5 obviously for the state government as well so the Chamber
6 has long supported this. We also see the environmental
7 benefit from having a cleaner-burning substance such as
8 natural gas. We've advocated for a concept of mileage-based
9 tariffs, which basically recognized Fairbanks' proximity to
10 the North Slope being closer. That's something that's been
11 discussed over the years for a Fairbanks-based pipeline
12 approach.

13 From a Towerhill Mines perspective, we are a
14 feasibility stage project, located up in Livengood and we
15 are a potential large energy user, in the neighborhood of
16 fifty to one hundred megawatts of electricity and as such, a
17 lower cost form of energy such as natural gas could be of
18 tremendous economic benefit to the project. We also have
19 space-heat utilization that would be required as well.

20 So from an economic standpoint, when you look at
21 it, it's not just the jobs that are created today and the
22 businesses but it's the potential for a mine project like
23 ours that would employ four hundred plus direct jobs for
24 many years for benefits of the Fairbanks community.

25 At a personal level I can tell you that I have

1 watched gas pipelines be advocated for by this town since I
2 was a kid, over forty-five years and I want to see a project
3 that comes to fruition and I think we all need to keep sight
4 of a goal of what that is and that's the opportunity to make
5 a Project and that won't happen if it's not economic and it
6 won't happen if we don't drive for the lowest-cost solution.
7 I do have some concern when I hear folks talk about linemen
8 of the pipeline closer to Fairbanks because it might save
9 some money here. I suspect that the folks that are trying
10 to construct the pipeline are looking for the lowest-cost
11 solution so I want to keep our eyes on the ball, which is
12 low-cost energy and that's going to be achieved by the
13 lowest cost pipeline solution.

14 The Alaska Gasline Development Corporation, AGDC,
15 they have actually been tasked to look at this whole
16 in-state, natural gas distribution and associated off-takes
17 and looking at demand studies and my understanding is that
18 that is the avenue we would be looking to for Fairbanks
19 distribution and for not the distribution but for the
20 laterals that they've talked about. So I think that's an
21 appropriate place for us as a community to go for. Those
22 are my personal remarks and I want to make sure that I don't
23 mix up the two.

24 That's all that I have except I appreciate you
25 being here and we as a community are going to continue

1 advocating for a pipeline because we want it, we need it and
2 we would love to have you come back when the gas flows.

3 MS. SUTER: Thank you. You are correct. The
4 state is looking at the five off-take points, five plus
5 off-take points which will be under their jurisdiction, not
6 ours. We will be looking at the main corridor route, taking
7 it into consideration that there would be off-take points.
8 Is there a number eight? Come on up.

9 MR. EBEL: Hello, my name is Mark Ebel, last name
10 E-B-E-L and I own some property north of Nenana that seems
11 like it's right in the corridor of where this would take
12 place; and so as a landowner I am concerned about several
13 things. One is, you know as far as the environmental impact
14 goes, one of the impacts is how it affects those people that
15 live on the land that it's passing through or nearby.

16 For example, there's a liability having a gas
17 line that's forty-two inches in diameter that's passing
18 through your property. Alaska has earthquakes and there are
19 accidents that happen, there's mechanical failures that
20 happen. I used to work up on the North Slope and I have
21 seen gas releases and you know, these things happen.

22 So another question is how far apart are the
23 valves that shut the pipeline down were there a rupture, if
24 there was an earthquake or some accident or mechanical
25 failure? That's a lot of gas, forty-two inches in diameter.

1 If they are miles apart, would they be seven miles apart,
2 twenty miles apart? How far apart would these remote gate
3 valves or whatever they use to shut the thing down, how far
4 apart would they be? That's a lot of gas to fill the Tanana
5 Valley and there could be serious liability for those
6 landowners and people that dwell in the vicinity of it. I
7 think that's an important environmental impact to consider.

8 Another thing is who it affects hunting areas.
9 Will there, for example, be a no trespassing zone for
10 motorized vehicles and all of a sudden we can't get to our
11 old hunting grounds? That's an important consideration for
12 all the hunters. Another thing is, I wouldn't be affected
13 by the tankers but for those that are down by Nikiski and
14 Kenai and Soldotna, you know, what if there was a
15 catastrophic accident on a tanker, how would that affect a
16 community down there? I mean, you are talking a lot of
17 energy that could be released and what kind of an impact
18 does that have on a community?

19 Then I guess another concern regarding the
20 environmental impact is when the gas eventually stops
21 flowing through the pipeline, say that they find a better
22 energy source in the future or they just run out of gas
23 eventually, maybe it might be a hundred years down the road,
24 whatever it is, who's responsible to demo it? To take it
25 away and to reclaim the land that it affected, and so forth.

1 Are they going to set aside a fund of money, those that own
2 the pipeline, are they going to put some sort of a fund
3 together to demobilize the whole deal?

4 So those are some of the concerns that I have. I
5 guess there was one other thing that I didn't elaborate on,
6 how it affects the land owners. Because there is a
7 liability associated with that, having a big forty-two inch
8 gas line crossing your property, what compensation do the
9 owners of the pipeline intend to give to the landowners? I
10 believe that they should pay a rent. If they're going to
11 put a pipeline on our property then they should rent that
12 property from us. It shouldn't be just something that they
13 have a right to. That's not right that they should just
14 have a right to take property without compensating the
15 owner, especially when there is a liability associated with
16 it.

17 I would like to know what their plans are to
18 compensate, especially in view of, it's not like they're
19 going to be hurting for money. There is a lot of money
20 involved in that. That's my comments. Thank you for
21 listening.

22 MS. SUTER: Okay, before I call number nine if
23 there is a number nine, I just want to give a little bit of
24 information and then I may respond to some of your concerns.
25 There was a brochure up at the front sign-in table called

1 'what do I need to know' kind of thing for landowners and it
2 has a lot of commonly asked questions and answers in there,
3 some of which may answer some of your questions this
4 evening. I would like to encourage you, if you didn't pick
5 up one of those brochures, especially if you are a landowner
6 who may be affected by the pipeline.

7 The other piece that I also wanted to note is you
8 may be interested in checking out the Department of
9 Transportation Pipeline and Hazardous Material Safety
10 Administration. They are the agency tasked with
11 establishing pipeline safety regulations, including things
12 like valve distances and spacing along with design of the
13 pipe itself. So I encourage you to check out their website
14 and to read their regulations to get a better understanding
15 of some of the requirements and then beyond that the
16 Environmental Impact Statement will address safety and all
17 of the items that you brought up. Do I have a number nine?

18 MR. DELONG: Hi, my name is Tom DeLong, D-E
19 capital L-O-N-G and I have two questions and then a couple
20 of rambling comments and I don't necessarily expect my
21 questions to be answered.

22 My understanding is that the gas on the North
23 Slope is considered wet gas and is composed of about twelve
24 percent carbon dioxide. Will this project re-inject that
25 gas or vent it to the atmosphere?

1 The second follow up question to that is, does
2 the FERC process, very unfamiliar with the FERC process up
3 here because not a lot of our projects involve FERC because
4 they are all in-state, but does the FERC process have any
5 say in disposition of the CO2 from the gas plant on North
6 Slope, the liquefaction plant?

7 Rambling comments, and I should have said earlier
8 these comments and questions are my own and not those of any
9 of the boards or companies I may represent other than the
10 one that I will mention now shortly. Regarding the
11 right-of-way and the deviation from the right-of-way at
12 Livengood, across Minto Flats the second largest State game
13 refuge in the State, also what I would consider a wetland of
14 extreme value.

15 I would like to see the gas line follow the
16 existing corridor. To me it makes a lot of sense to
17 concentrate utilities in corridors for a variety of reasons.
18 One might be environmental impacts. The other might be
19 visual impacts. The other might just be the impact of a new
20 right-of-way across open country and the access that
21 provides.

22 We've seen that with the Northern Intertie and
23 other projects where a new right-of-way has a lot of impacts
24 with increased access. Some may see that as a benefit.
25 Some may not. If we look at some of the recent forest

1 fires, specifically this summer, perhaps the Aggie Fire,
2 north of Fairbanks, we see that extreme forest fire activity
3 and intense heat is having an impact on permafrost that is
4 marginally surviving. Here in the north of the Alaska range
5 we have what they call cold permafrost or permanent
6 permafrost and what we're seeing is that that permafrost is
7 getting warmer and it doesn't take much of a disturbance
8 before our permafrost regime is changing.

9 I would suggest that the existing pipeline,
10 especially as it deviates from Livengood, stays in the
11 uplands and would do a couple things. It would have less
12 impact on the wetlands and the Minto State Game Refuge which
13 is a valuable and highly controversial subsistence area.
14 Probably be best to stay away from that. Not to mention the
15 proximity to Fairbanks and as Merrick Pierce pointed out,
16 the fact that it goes by some of the military bases that are
17 under a mandate to be clean. Second biggest population
18 center in the Fairbanks which is in desperate need of clean
19 gas and I prefer to see that route.

20 I think a lot of the folks here probably also
21 recognize that by deviating to the existing right-of-way
22 from Livengood places larger section of that pipeline into
23 the Fairbanks North Star Borough, allowing it to go into the
24 tax base and recognizing that may be a motivation. I should
25 also mention that for the last twenty-seven years I have

1 been the owner and operator of Tolovana Hot Springs, which
2 is five miles as the raven flies from the right-of-way that
3 would go down the Livengood Dunbar Trail, sixty foot
4 permitted right-of-way.

5 I thought it only fair that I mention that I have
6 a vested interest in that operation and that Minto Flats is
7 very special to me and I personally as an operator and as a
8 Fairbanks resident, would not like to see a gas line,
9 pipeline transect our second largest state game refuge.
10 Thank you.

11 MS. SUTER: Okay and to answer your first
12 question as best I can, our understanding at this point in
13 time is that Alaska LNG does plan to re-inject the CO2. If
14 they come out saying that they're not going to for any
15 reason we would certainly be evaluating reinjection as part
16 of our review as an alternative. So either which way it
17 will be looked at.

18 Is there a number ten? No. Okay. Well we still
19 have some time so if one of you maybe didn't take a ticket
20 and would like to come up and give some comments, come on
21 up. Just remember, please state and spell your name.

22 MR. DAVIES: Thank you very much for coming down.
23 My name is John Davies, that's D-A-V-I-E-S. I'm a member of
24 the Fairbanks North Star Borough Assembly but these comments
25 are my own and not coming from the Assembly although I think

1 it's fair to say that virtually everybody in Fairbanks is
2 anxious to see a gas pipeline get built and there's a lot of
3 debate about which one and I think the vast majority don't
4 care which one as long as one gets built.

5 But, having said that, I agree with many of the
6 comments that were made earlier about the socioeconomic
7 benefits of having the pipeline close to Fairbanks. The air
8 quality issues, the cost of energy issues are very
9 significant issues and to bypass in some regard the second
10 largest population center in the state is a significant
11 socioeconomic impact over the choices being made here.

12 The main point that I would like to make, that I
13 think is a little bit different than what has been said
14 before is that I think when as you are evaluating your
15 environmental impact, you have to assume that if this route,
16 the preferred route is built that there will be a spur built
17 so the choice of that route should include the environmental
18 impact of a spur to Fairbanks; so the comparison between
19 this route plus a spur to any other alternative I think to
20 fairly evaluate the expected environmental impact because
21 it's almost inconceivable that a pipeline like this would be
22 built here, built you know, sixty miles from Fairbanks and
23 they wouldn't build a spur.

24 It just will depend of course on the economics
25 but that seems hardly conceivable so I would strongly

1 recommend that when you do the environmental comparison that
2 you include the spur as part of the main project because
3 it's such a likely possibility. I think also you probably
4 know but this community is anticipating a large pipeline
5 being built by the Interior Energy Project, which is to
6 cause gas to be delivered here by truck or some other
7 mechanism, perhaps by rail car but a far less desirable way
8 than by pipeline but that's because of the air quality. We
9 need to get the projects in the ground and going.

10 We are already laying pipe in the ground for
11 distribution of gas, even though we don't have any gas here
12 right now. That just by way of illustrating the importance
13 of getting gas to Fairbanks and just to reiterate; the two
14 main reasons are because of the air quality issue and
15 because of the cost of energy issue.

16 Thank you very much for being here. I really
17 appreciate it.

18 MS. SUTER: Thank you. Is there anybody else who
19 would like to speak this evening? Okay. Well, with all of
20 our speakers, I'm just going to remind folks this evening if
21 you didn't speak or if you have -- did you want to speak?

22 AUDIENCE: Yes.

23 MS. SUTER: Come on up.

24 MR. SATTTLER: Maybe the last speaker. My name is
25 Bob Sattler, S-A-T-T-L-E-R and I'm coming to the microphone

1 to bring up a little bit of a broader issue but I think it
2 takes into consideration some of the previous comments of
3 what folks have made. For you folks out of town, you
4 probably are aware that the folks here have had experiences
5 with pipelines. First in Upper town, I know a couple
6 military pipelines in the 30's and the 40's and then the
7 mother of all pipeline, the Trans Alaska Pipeline System,
8 the TAPS, which as you may not know is considered with
9 regard to the NEPA Law, the National Environmental Policy
10 Act, sort of the mother of all EISs, it was the first large
11 environmental impact statement prepared under that new
12 legislation.

13 As part of that system, it ended with an
14 executive privilege of excluding any further review. Thirty
15 years later during the TAPS renewal, the Department of the
16 Interior initiated a large Environmental Impact Statement
17 and concluded that process with the same result that would
18 also implement an executive privilege excluding any further
19 judicial review, basically cutting off the due process of
20 the spirit of NEPA. In light of that, I know from being
21 sort of the third iteration of being involved in this gas
22 line proposal, I know that the enabling legislation for this
23 gas line contemplates a limited judicial review with regard
24 to the eighteen month environmental impact statement phase.

25 There have been this series of analysis by the

1 companies for some years so in the general sense I think
2 this growing data provides a tremendous amount of
3 information. With that said, there is a need for local
4 content in this. The last rotation there was tremendous
5 amount of speak at the public hearings, pre-scoping meetings
6 about public content that when the resource reports came out
7 there was very little or hardly any that reflected in the
8 initial resource reports.

9 I've got to say, I haven't had the opportunity of
10 reviewing resource reports for this more current project.
11 But in that larger context, I would like to then suggest
12 because of the limit and further judicial review of the
13 previous two environmental impact statements that have been
14 prepared for a large diameter pipeline in this region, that
15 FERC seriously consider a full-blown adaptive management
16 alternative and EIS study, an adaptive management
17 alternative would be a way out for the citizens, the public
18 to have some voice beyond the record of decision,
19 particularly if there is another exercise of Congressional
20 Executive Privilege that would limit or eliminate any
21 further discourse or any opportunity for grievances.

22 In fact, I think you know, I will be more
23 involved in this, but I think as FERC gets into this they
24 will find some of those have been sort of expressed in
25 advance here this evening, that there are many unresolved

1 grievances because of the exercising of executive privilege
2 and the previous NEPA reviews of the pipelines.

3 In conclusion I guess I could say that in
4 general, being a student of NEPA, nearly any EIS that has
5 been prepared in the last twenty years is very heavy on the
6 natural environment, very light on the socioeconomics or the
7 human environment. NEPA requires some balance of those two.

8 I think as many of the folks have said here
9 tonight, I would agree there's nearly universal support for
10 this large gasline project. I would go so far to say too
11 that if you were to poll people I think you would find that
12 everyone in this room would consider the Trans Alaska
13 Pipeline System probably the universal shift in the Alaska
14 political economy since the second world war and therefore
15 there is a need for some public opportunity beyond the
16 Environmental Impact Statement to deal with grievances that
17 may come up and will very likely come up. So again,
18 I want to conclude by saying I think it's very important for
19 FERC to consider as a different agency preparing the
20 environmental federal environmental review for this Project
21 to fully consider an adaptive management alternative as part
22 of their environmental review so with that, I'll provide
23 some more comments. I appreciate you guys being here and I
24 will be very much in anticipation of how you implement the
25 procedures and your further outreach. Thank you.

1 MS. SUTER: Okay, is there anybody else
2 interested in speaking?

3 MR. EBEL: Could I come up and add one more
4 comment?

5 MS. SUTER: Sure, come on up. Just restate your
6 name for the record.

7 MR. EBEL: My name is Mark Ebel, E-B-E-L and I
8 guess one of the things that comes to mind is what are the
9 alternatives? The Environmental Impact Statement should
10 look at alternatives, for example, there is the potential to
11 put a very large, like a world class power plant on the
12 North Slope and run high voltage DC lines down and run them
13 across, they have, I've spoken with engineers from Norway
14 who produce submersible high-voltage cable that will handle
15 a million volts with several thousand amps and that is an
16 alternative that is worth considering especially in view of
17 the terrorism. You know, we had the Paris terrorist attacks
18 here just a few days ago and the gas line just seems like a
19 potential target in that regard and the tankers, et cetera.

20 If you think about it, a high voltage DC line, if
21 something breaks the, shorts out the line, it throws a
22 breaker. Then it's fix the line and reset the breaker.
23 It's not a big deal. But if the gas line gets wrecked with
24 a earthquake or terrorist attack or anything like that, then
25 you got some serious other consequences to consider. So I

1 think that's worth noting in the Environmental Impact
2 Statement is what alternatives are there?

3 If you look further down the road, high voltage
4 DC lines, they could run them over the pole, over to Europe.
5 In other words, we could run them in multiple directions.
6 You could run a submersible line, when I say submersible, I
7 mean down at the ocean floor, and run it across over to
8 Asia. You could have geothermal that you could add onto the
9 system along the Allusions, you can run it over the pole to
10 Europe and what we're talking about is a power grid that's
11 globalized so that you have a global power grid that's all
12 tied together.

13 To me, this is a very expensive venture, this
14 pipeline, and I think the money might be better spent on
15 high voltage DC line which per mile I think the high voltage
16 DC would be much more affordable. Anyway, that's my
17 opinion.

18 MS. SUTER: Okay, anybody else? So the last
19 thing that I'll note before I close the meeting is just that
20 for those of you who didn't speak or if you think of
21 something else afterward if you did speak, written comments
22 are treated with equal weight for those of you who came up
23 and spoke this evening verbally. So it will be considered
24 equally and we evaluate all impacts and all issues that have
25 been identified.

1 So with that and with no more speakers, I'm going
2 to close the formal part of the meeting. On behalf of the
3 Federal Energy Regulatory Commission, I thank you all for
4 coming tonight. Let the record show that the scoping
5 meeting for the Alaska LNG Project in Fairbanks, Alaska
6 concluded at 7:29 p.m.

7 (Whereupon, at 7:29 p.m., the public scoping
8 meeting concluded.)

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