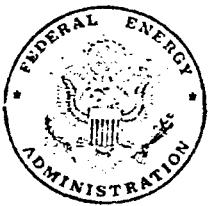


The original documents are located in Box 4, folder: “Alaska Natural Gas Transportation Act” of the Frank Zarb Papers at the Gerald R. Ford Presidential Library.

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FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

September 27, 1976

OFFICE OF THE ADMINISTRATOR

Honorable Carl Albert
Speaker of the House
of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

As you know, the proposed "Alaska Natural Gas Transportation Act" which would expedite selection of a system for delivery of Alaskan gas to the lower 48 states has passed the Senate and is currently being considered by the House Committee on Interior and Insular Affairs. Unfortunately, there have been a number of delays in the Congressional consideration of this legislation. Now, with the time of adjournment of the 94th Congress rapidly approaching, I want to emphasize the importance which the Administration attaches to this legislation, and to express our concern as to the serious consequences which could be caused by failure to enact a bill in this Congress.

I am sure you are aware that this legislation is particularly time sensitive. It contains a number of specific deadlines which should be set now in order to give all those involved adequate time to implement the bill effectively. Thus, if a new system for selection of a route is to be adopted it must be done now. We cannot afford either the time or the uncertainties which would result if this critical issue were to be delayed until next year.

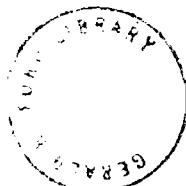
In light of our overriding concern for prompt passage of the legislation, the Administration has reconsidered the need for the additional changes which were set out in my letter to Chairman Staggers of September 16, 1976. In order to assure enactment of this vital legislation before the 94th Congress adjourns, the Administration would support S. 3521 as reported on September 23 by the Subcommittee on Public Lands of the House Committee on Interior and Insular Affairs save for three deficiencies:



First, we have expressed our concern several times that, as currently drafted, the bill would condition effectiveness of the decision of the President upon enactment of a joint resolution of approval. The affirmative approval mechanism, in effect, does little more than invite the President to submit legislation on a particular route. Legislation requiring both Houses of Congress affirmatively to endorse a particular route could well foster the very impasse that the legislation was designed to avoid. Should such an impasse occur, the end result of the legislation could be a serious delay in the construction of the pipeline, directly contrary to its original purpose. Thus, we believe that Congressional review should be accomplished through provision for a joint resolution of disapproval.

Second, the Public Lands Subcommittee added a provision requiring that if an all-land pipeline transportation system is recommended, the Federal Power Commission would be required also to recommend new facilities "to assure direct pipeline delivery of Alaskan natural gas contemporaneously to points both east and west of the Rocky Mountains in the lower continental United States." We believe that this requirement could totally frustrate the bill. There is no way to know at this stage which is the most appropriate methodology and system for distribution of natural gas in the lower 48 states. Rather, this is one of the issues which will be addressed in the process of selecting a route. For example, after a complete evaluation, direct pipeline deliveries of Alaskan gas to both east and west may well prove uneconomic and costly. In any event, an attempt to make that decision in advance could totally undercut the entire process. We believe that the language which had been added by the House Committee on Interstate and Foreign Commerce on this question assures adequate attention to the needs of both the eastern and western sections of the country without requiring the advance selection of any particular method of transportation to meet those needs.

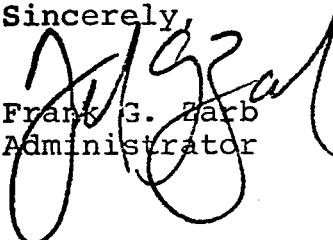
Finally, we continue to be concerned about section 8(e) of the bill, which would require the President to make findings on environmental impact statements as well as prepare statements where none have been previously prepared. We



believe that Section 102(2)(C) of the National Environmental Policy Act of 1969, as well as the Council on Environmental Quality's guidelines establishing environmental impact statement procedures among agencies, are fully adequate in requiring analysis and consideration of the possible impacts on the environment of any transportation route selected, and that imposition of a novel legal requirement such as this would be unnecessary and at odds with the purpose of this legislation.

Sincerely,

Frank G. Zarb
Administrator

A handwritten signature in black ink, appearing to read "Frank G. Zarb".