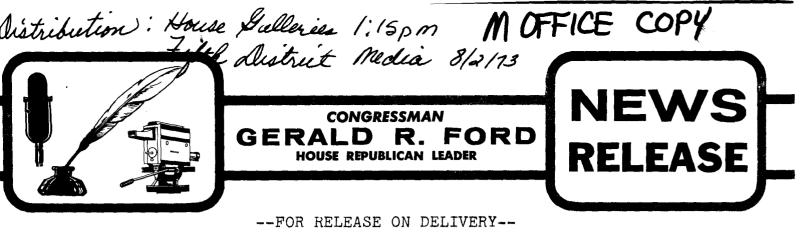
The original documents are located in Box D35, folder "House Floor Speech Alaska Pipeline, August 2, 1973" of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.

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August 2, 1973

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The only questions at issue are whether the proposed Trans-Alaskan Pipeline System, called T A P S, should be delayed while a proposed Trans-Canada Pipeline is explored, and whether the Interior Department has satisfied the requirements of the National Environmental Policy Act with regard to TAPS.

Let us examine the Trans-Canada Pipeline issue first. Is the proposed Trans-Canada Pipeline a viable alternative to TAPS?

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But before I even cite the various difficulties inherent in going the Trans-Canadian route, let me emphasize that the Canadians have not even shown any particular interest in the Trans-Canadian Pipeline carrying oil from Alaska to the Lower 48.

As Edward Cowan of the New York Times put it in an article last Sunday, July 29: "Ottawa has not decided that it really wants an oil pipeline running up the Mackenzie River Valley. Such a venture would have an inflationary impact on Canada. There also would be environmental dangers."

Cowan continued: "Ottawa has been playing a double game. It has taken pains to oppose the trans-Alaska route because of widespread fears in Canada that the tanker shuttle between Valdez, Alaska, and Puget Sound sooner or later will produce an accident that could pollute the waters and indented shores of British Columbia. But being against TAPS is one thing and being four-square in favor of a Mackenzie route is another. Ottawa has had many opportunities to let Congress and the American public know that it is keen for Mackenzie. It has not done so."

Cowan concludes: "Perhaps Ottawa thinks it can stall the trans-Alaska pipeline just as it has stalled for three years or more on revising the auto-trade agreement with Washington."

To say that Canada is willing to receive an application for an oil pipeline from the companies that would build it is not the same thing as getting the Canadian government to approve an agreement covering such points as access to the oil pipeline for Canadian oil, the extent of Canadian ownership of the pipeline, who would control it, and what the future export taxes would be.

In 1970, Washington proposed to Canada an agreement that would have covered a pipeline and would have increased the energy interchange between the U. S. and Canada. According to Julius Katz, the State Department's assistant secretary for International Resources and Food Policy, the Canadians were "unreceptive" and "at every point those efforts (on the part of the United States) were rebuffed."

The facts are that Ottawa is simply eager to halt a trans-Alaska pipeline. If we dumped the trans-Alaska pipeline in favor of a mythical trans-Canadian pipeline, I think we would be making a tragic mistake.

But let's assume for the sake of argument that it <u>is</u> possible to negotiate an agreement with Ottawa covering a trans-Canadian pipeline. A decision to abandon the Trans-Alaska Pipeline in favor of a Trans-Canadian Pipeline could delay the delivery of Alaskan oil to the Lower 48 by as much as seven years <u>beyond</u> the three years it would take to build a Trans-Alaska Pipeline.

If construction began on a Trans-Alaska Pipeline in 1974, we would have Alaskan oil moving to market in the West Coast Region by 1977. An oil pipeline across Canada would not go into service before 1982 to 1984.

If the Trans-Alaska oil pipeline is operational by 1977, a natural gas pipeline across Canada can be feeding clean fuel to Midwestern homes and factories by 1980. On the other hand, a Trans-Canada oil pipeline would delay completion of the gas pipeline until 1985 to 1987.

Why would there be so great a delay if we sought to build an oil pipeline across Canada? There are many reasons.

-- We would have to negotiate an agreement with Canada regarding construction and operation of the oil pipeline.

-- An entity or entities would have to be formed to finance, design, build and operate the oil line -- and financing could well be difficult since a Canadian oil line would cost approximately \$7 billion as compared with \$3.6 billion for the Alaska oil line.

-- A detailed route study would have to be made. Technical design data would have to be compiled to provide the basis for U.S.-Canadian consultation concerning route selection and design.

-- A detailed project description of the oil line and associated facilities would have to be prepared.

-- Applications would have to be made to the Department of the Interior for rights-of-way across the U. S. public lands involved in Alaska and in the Midwest where the pipeline would enter the U. S. from Canada.

-- The Department of Interior would have to prepare an environmental impact statement.

-- Canadian native land claims would have to be settled -and this is most important. This is a crucial issue that cannot be brushed aside by proponents of a trans-Canadian route. Last May, Canadian Indians won the first round in what will surely be a lengthy court battle with Canadian federal authorities for control of 400,000 square miles of land in the Mackenzie Valley. The court imposed a temporary land freeze on the 400,000 square miles. By contrast, similar claims in Alaska have <u>already</u> been settled by the Congress.

-- Application would have to be made to the Department of Indian Affairs and Northern Development in Canada, and public hearings would have to be held. This application would have to be

accompanied by a detailed social and environmental impact statement.

-- If this environmental impact statement won approval, then application would have to be made to the National Energy Board of Canada and more public hearings held. The Canadian Cabinet would have to approve the action of the Energy Board in certificating the oil line.

-- Rights-of-way would have to be obtained to cross privately owned lands; equipment and materials would have to be lined up; detailed design of the pipeline would have to be carried out; and roads necessary for construction of the oil line would have to be built.

-- Last, but by no means least, any litigation with respect to the Canadian oil line would have to be resolved.

All of these are valid reasons to expect lengthy delays if Congress were to seek to build a Canadian oil line.

And there is one other factor that should be considered -- a factor that is important to the Midwest. An oil line through Alaska and a gas line through Canada can be built simultaneously -- and would be built simultaneously. That kind of scheduling would not be possible if both the oil and gas line were to go through Canada.

For a midwesterner, the strongest argument in favor of an oil line from Alaska through Canada is that it would serve the midwest.

In that connection, let's look at some supply and demand figures.

The Department of Interior estimates that by 1980 the <u>demand</u> for crude oil on the West Coast will be 3.13 million barrels a day, and in the Midwest it will be 6.2 million barrels per day. By 1980 the <u>deficit</u> in the West Coast Region will be 2.065 million barrels a day and in the Midwest Region it will be 4.884 million barrels.

The Midwest has traditionally been a crude oil deficit area, and this deficit has been met by imports of surplus production from the Gulf Coast Region via existing transportation facilities. In 1970, for instance, the net flow of crude oil from the

Gulf Coast Region to the Midwest was 1.918 million barrels a day. By 1980, it is projected at 4.071 million barrels.

The West Coast, which does not have inter-district transportation facilities comparable with those entering the Midwest, will have to depend largely upon foreign sources to make up its deficit. Thus, by 1980, minus North Slope oil, the West Coast Region would be dependent upon Middle East sources for approximately 1.1 million barrels of crude oil per day -- more than one-third the demand in that district. The Midwest, however, would be dependent upon foreign sources for only 20 per cent of its demand -- and, in the past, has obtained almost all of its foreign requirements from Canada.

We are all, of course, deeply concerned about the environmental aspects of the Trans-Alaska Pipeline. Is the Trans-Canadian oil line environmentally superior? In my judgment, the two proposed oil lines are environmentally comparable.

While the TAPS line would be 789 miles long, the Trans-Canadian oil line would traverse some 3,200 miles. The entire length of the TAPS line involves northern wildlife habitat. However, the trans-Canadian line includes 1,700 miles of such country. The TAPS line would cross 525 miles of permafrost; the trans-Canadian line, 1,200. The TAPS line would involve one major river crossing -- the Yukon; the trans-Canadian line, 12 major river crossings.

Environmentalists are understandably concerned about the TAPS line. But there is no question that every possible environmental safeguard would be taken. More than half of the line would be buried seven to 10 feet underground. Where the line is scheduled to be above ground or elevated, ramps and underpasses would be built so animals such as the caribou could pass through. Where river crossings are involved, the line would be buried at least five feet below each stream bed and encased in several inches of concrete as insulation for the warm oil inside. Special fast-growing grass would be planted as cover for the pipeline route once the line was laid.

In addition, the TAPS line has been designed to be safe from the most severe earthquake ever recorded in Alaska; the line would be elevated over all unprotected permafrost; and the entire line would be monitored every minute of every day to detect any possible oil spillage. In the unlikely event of a break or rupture

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Let me make one last point with regard to the national security aspects of the pipeline question. I am convinced the national security interests of the United States would be jeopardized if we go the Trans-Canadian route instead of trans-Alaska. The President's Task Force on Oil Import Control has pointed out that dependence on the Middle East for more than 10 per cent of our oil needs is dangerous. Oil dependence now exceeds this level and will increase until we get the Alaskan oil. It would take at least six years longer for a Trans-Canadian oil line to be operational than it would for the TAPS line. This additional delay in getting North Slope oil to the Lower 48 states would greatly imperil the national security of the United States.

I have no objection to a study focused on construction of a Trans-Canadian oil pipeline. But it should not delay the TAPS project. In the final analysis, we need the TAPS line, a trans-Canada gas pipeline and an eventual trans-Canada oil pipeline from the Arctic once additional oil is found.

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