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APPROVED
OCT 22 1976

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THE WHITE HOUSE

ACTION

WASHINGTON

October 20, 1976

Last Day: October 23

Statement issued 10/22/76

MEMORANDUM FOR: THE PRESIDENT

FROM: JIM CANNON *TRD*

SUBJECT: Enrolled Bill S.3521 -- Alaska Natural Gas Transportation Act of 1976

Posted 10/22/76

archive 10/22/76

This is to present for your action S.3521, a bill which would expedite a decision on the selection and construction of a transportation system for delivery of Alaska natural gas to the contiguous States. The bill was sponsored by Senator Stevenson (D-Ill.) and five others.

BACKGROUND

The bill now before you would:

- . Require the Federal Power Commission and other Federal agencies to submit their route proposal recommendations to you by July 1, 1977 -- including those from CEQ on the sufficiency of the project environmental impact statement,
- . Require you to recommend a route to the Congress by September 1, 1977 (a delay of 90 days is possible under certain circumstances).
- . Require Congressional approval by a joint resolution of the selected route.
- . Provide for your submission of a new route recommendation if Congress fails within 60 days to approve your initial recommendation.
- . Limit the scope of judicial review to actions taken contrary to existing Federal law.
- . Require approval by joint resolution of Congress for the waiver of any law determined by the President as necessary to expedite construction of the pipeline.



- . Require that some Alaska gas be distributed to points east and west of the Rocky Mountains.

The bill is similar to the proposal you approved last March in that it would provide: (1) an expedited review process for your recommendation; (2) Congressional involvement; (3) some limitations on judicial review; and (4) assurance that environmental considerations are taken into account in the decision-making process.

It is different in that the Administration's bill: (1) required the Congress to pass a joint resolution of disapproval of your recommendation; (2) precluded legal challenges under NEPA of your recommendation; and (3) prohibited temporary injunctions, which S.3521 does not.

ARGUMENTS FOR APPROVAL

1. Without the expediting measures in this bill, administrative and judicial appeal opportunities could effectively delay any final FPC decision for years.
2. Parliamentary procedures prescribed for Congressional action make possible expeditious consideration of your recommendation.
3. Judicial review (e.g., under NEPA) is limited and expedited.
4. The timetable in the bill is compatible with the anticipated conclusion of the Canadians' decision on natural gas pipeline routing.
5. There is strong support for approval of the bill among environmental groups, all three applicants in the pending proceedings before the FPC, and governors in areas which are affected by the bill.

ARGUMENTS FOR DISAPPROVAL

The legislation is not as effective as your proposal and could delay construction of the pipeline.

1. The FPC is prepared to decide -- under current law -- by April 1977. If this decision isn't challenged, construction could begin immediately thereafter, rather than in December 1977 under the bill.
2. Failure of the Congress to vote on a joint resolution could delay a route selection decision indefinitely.

3. The bill provides no safeguards against NEPA litigation until after Congressional approval of your recommendation.
4. Waiver of each law that you deem necessary to expedite pipeline construction must be approved separately by the Congress.
5. Temporary injunctions still permitted under the bill, could result in construction delays.

AGENCY RECOMMENDATIONS

FEA, Interior, FPC, EPA, Commerce, CEQ, State, Defense and Transportation recommend you approve S. 3521.

OMB recommends approval of the enrolled bill. (See enrolled bill report at Tab A)

STAFF RECOMMENDATIONS

Max Friedersdorf, Bill Seidman (Porter) and Counsel's Office (Kilberg) recommend approval of the enrolled bill.

RECOMMENDATION

I recommend approval of S. 3521. On balance, the reduction in opportunities for delay in the route selection decision and construction of the pipeline outweighs the arguments for disapproval.

You should know that you have received a number of telegrams from Governors urging your approval of the bill. Although generally the strongest appeals are from Western Governors, others support this measure because of the overall effect it will have on the natural gas supplies throughout the country.

DECISION

Sign S. 3521 at Tab B.

Approve signing statement at Tab C which has been cleared by Doug Smith

Approve

Disapprove



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OCT 19 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 3521 - Alaska Natural Gas
Transportation Act of 1976
Sponsors - Sen. Stevenson (D) Illinois and 5
others

Last Day for Action

October 23, 1976 - Saturday

Purpose

Expedites the decision on the selection of a transportation system for the delivery of Alaska natural gas to the contiguous States by allowing for the participation of the President and the Congress in the selection process and limiting judicial review during construction and initial operation.

Agency Recommendations

Office of Management and Budget	Approval (Signing Statement attached)
Federal Energy Administration	Approval
Department of the Interior	Approval with serious reservations
Federal Power Commission	Approval
Environmental Protection Agency	Approval
Department of Commerce	Approval
Council on Environmental Quality	Approval
Department of State	Approval
Department of the Treasury	Approval (Informally)
Department of Defense	Approval
Department of Transportation	Approval
Department of Labor	No objection
Department of Justice	Defers to other agencies



Background

On March 10, 1976, Federal Energy Administrator Zarb submitted the "Alaska Natural Gas Transportation Act of 1976" to the Congress. The bill was designed to expedite the selection and construction of a system for the transportation of natural gas from the North Slope of Alaska to the lower 48 States.

You may recall that last winter the consensus within the Administration was that the Federal Power Commission would probably be able to make a decision on route selection under the authorities contained in the Natural Gas Act. However, we believed that immediately thereafter a long ensuing legal battle was sure to occur effectively delaying any progress in building a pipeline. To avoid this delay, you decided in favor of procedural legislation designed to expedite the route decision and to place major limitations on judicial review so as to specifically avoid court delays that would slow down or stop construction.

Specifically the Administration bill provided for:

- an expedited procedure to secure a Presidential recommendation on route selection within 6 months after enactment;
- affording the Congress an opportunity to disapprove a Presidential recommendation by passing a joint resolution of disapproval within 60 days after receiving the President's recommendation;
- limiting judicial review to constitutional issues and denying any temporary injunctions;
- expediting judicial review on legitimate claims by requiring that they be acted on within 60 days;
- the appropriate consideration of environmental issues during the executive decision-making process in accordance with procedures established under the National Environmental Policy Act; and,

- the Presidential decision being made with no limitations on the possible routes to be selected.

In response to this legislative initiative, the Senate Interior and Commerce Committees held hearings on June 30, 1976, and filed a joint report on S. 3521. The Senate passed S. 3521 on July 2, 1976 by voice vote. Shortly before adjournment, S. 3521, as amended in the House, was passed by voice vote by both the Senate and the House.

S. 3521, as passed by Congress, is similar in concept to the Administration's bill in that it would provide: (1) an expedited process for a Presidential recommendation; (2) congressional involvement; (3) some limitations of judicial review; and (4) insurance that environmental considerations are taken into account in the decision-making process. More specifically, the bill would:

- require the Federal Power Commission to submit a recommendation to the President by May 1, 1977, concerning the selection of a route to transport Alaskan natural gas;
- direct other Federal agencies to submit their comments on FPC's recommendation to the President by July 1, 1977, including comments from the Council on Environmental Quality concerning the legal and factual sufficiency of the environmental impact statement relating to the project;
- require the President to submit his recommendation to the Congress by September 1, 1977 (the President's decision could be delayed for 90 days if (1) an environmental impact statement has not been done or is incomplete or (2) additional time is necessary to make a sound decision);
- require that the Presidential route decision include provisions for the delivery of Alaskan gas to points both east and west of the Rocky Mountains;

- require congressional review and adoption of a Presidential recommendation through a joint resolution of approval rather than disapproval;
- stipulate procedures to expedite congressional consideration of a joint resolution;
- provide for the submission of a new route proposal by the President if Congress fails to approve his initial recommendation within 60 days;
- limit the scope of judicial review beyond constitutional questions to include actions taken contrary to existing Federal law;
- permit temporary injunctions; and,
- require that Congress approve by joint resolution the waiver of any law determined by the President as necessary to expedite construction of the pipeline.

Agency Views

As noted at the beginning of this memorandum, all agencies take positions of either approval, no objection or no comment. FEA's comments and the significant concerns of other agencies, as set forth in their attached enrolled bill letters or in informal comments to OMB, are briefly mentioned below.

FEA recommends approval because "... although the bill contains some undesirable features and does not accomplish as much as we had hoped, ... (1) it contains some worthwhile provisions, (2) its objectionable provisions do not completely outweigh the bill's merits, (3) it has widespread support and (4) is better than no bill at all in terms of expediting the construction of the gas line in Alaska."



FPC also recommends approval as it notes that:

"The bill provides for limitation of judicial review of the final decision made by the President and Congress. In the absence of such a provision, it is almost certain that construction and initial operation of the pipeline would be greatly delayed by the uncertainty caused by continuing judicial proceedings. This is perhaps the most important feature of the bill, and offers an opportunity to reduce or eliminate many of the delays which plagued the Alaska Oil Pipeline."

Interior, while favoring approval, recommends that the President express, at the time of signing, the serious reservations which the Department outlines in its enrolled bill letter. Interior's concerns relate mainly to the congressional approval process, the required direct east-west distribution of Alaska gas, the CEQ review process and the potential for further delay in expediting a decision.

Justice, while deferring to other agencies, advises us that there is no constitutional impediment in the bill's joint approval or judicial review provisions. However, Justice points out that it does not "... unqualifiably endorse measures which require the President to make an Executive decision within a set period of time ..." and that the bill's judicial review provisions and failure to provide for a stay of injunctions represent a major departure from the Administration's former position.

Arguments for Approval

S. 3521 would:

- Assure (a) an expedited process for Presidential recommendations on a route and (b) congressional involvement in a final decision either for or against an issue that is thought to be beyond the capability of the FPC. Without these expediting measures, administrative and judicial appeal opportunities could effectively delay any FPC decision for years.

- Provide for expeditious consideration by the Congress of a Presidential recommendation through special parliamentary procedures.
- Require that some Alaskan gas would be distributed to points east and west of the Rocky Mountains -- this would be reassuring to both geographical areas since they need additional supplies. At one time, there was considerable feeling in Congress that a project of this magnitude should assure a substantial sharing of gas both east and west of the Rocky Mountains. However, subsequent floor debate now indicates that such sharing need not be on any substantial basis, and from a technical standpoint, none of the three competing companies think this would be particularly troublesome.
- Provide a process for limiting and expediting judicial review of certain legal challenges (after congressional approval of a route, there would be little chance of a successful lawsuit under NEPA).
- Assure that environmental considerations will be taken into account prior to transmittal of a Presidential decision to the Congress.
- Provide a timetable compatible with the anticipated conclusion of the Canadians' decision on natural gas pipeline routing.

Moreover, enactment is supported by the three companies proposing to construct the pipelines -- they generally believe this bill is better than leaving the issue for a decision by FPC.

Arguments against Approval

Generally, the objectionable aspects of S. 3521 all center around the degree of possible delay in construction of a pipeline under this legislation.

- ° First, there could be delays prior to congressional approval of the Presidential decision.
 - Enactment could delay a decision on route selection by approximately 9 months. Without the bill, the FPC is prepared to make a final decision by April, 1977. Under the bill, a final decision by the President would be made by September, 1977. Congressional action by joint resolution of approval would not occur before December, 1977.

- Failure of the Congress to pass within 2 months a joint resolution approving the President's proposed route would result in a minimum 3 months additional delay in that the President could recommend a new proposal to Congress and Congress would have 2 months to enact another joint resolution of approval. In this regard, inaction by the Congress is possible because competing congressional factions could insist on alternative routes that would provide more gas for their respective geographical regions. Failure to enact the joint resolution of approval would completely stymie any Presidential decision, and the provisions of the bill would become inapplicable. At that time, either the FPC commissioners would proceed to complete final procedures for certification, or some form of a legislative solution would be needed. The Administration's bill required Congress to pass a joint resolution of disapproval, so that if Congress failed to act, the Presidential decision would be implemented and construction could proceed expeditiously.

- Litigation prior to transmittal of a Presidential decision to Congress could occur as this bill provides no safeguards against NEPA litigation prior to congressional approval under its judicial review provisions. Therefore, Presidential action would be subject to legal challenge, primarily suits under NEPA. The Administration's bill precluded legal challenge of a Presidential recommendation under NEPA.

- ° Second, there could be delays after congressional approval resulting in construction delays.

- Failure of Congress to separately approve the waiver of each law the President deems necessary to expedite pipeline construction could defeat the purpose of the bill as all provisions of current law would have to be followed -- particularly in issuing permits, certifications, and rights-of-way. Failure to enforce these laws would result in litigants successfully obtaining court injunctions to enforce the laws being waived under the judicial review procedures of the bill.

-- The provision allowing for temporary injunctions under the judicial review procedures could result in construction delays. While court review would be expedited (within 90 days), a temporary injunction could cause the loss of one-half of a construction season. The Administration's bill prohibited temporary injunctions.

- ° Third, the bill would place the President in the middle of the controversy of choosing a route without giving a high degree of assurance that an early decision could be reached and implemented as would have been the case under the Administration proposal.

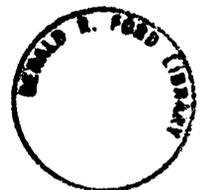
Conclusion

On balance, we believe the arguments in favor of approval are the stronger, and accordingly, we recommend approval. Finally, we do not believe it would be advisable to issue a signing statement as suggested by Interior. If significant problems materialize, remedial legislation can always be considered.



✓ Paul H. O'Neill
Acting Director

Enclosures



FEDERAL POWER COMMISSION
WASHINGTON, D.C. 20426

IN REPLY REFER TO:

October 13, 1976

ENROLLED BILL
S. 3521 - 94th Congress
Alaska Natural Gas Transportation Act

Honorable James T. Lynn
Director
Office of Management and Budget
Executive Office of the President
Washington, D. C. 20503

Attention: Miss Martha Ramsey
Legislative Reference Division
Room 7201, New Executive Office Building

Dear Mr. Lynn:

The purpose of this letter is to recommend the approval by the President of the United States of S. 3521 for the following reasons:

- It would enable the President and Congress to have a role in this enormously important regulatory decision, a role which is impossible under existing law.
- The bill provides for limitation of judicial review of the final decision made by the President and Congress. In the absence of such a provision, it is almost certain that construction and initial operation of the pipeline would be greatly delayed by the uncertainty caused by continuing judicial proceedings. This is perhaps the most important feature of the bill, and offers an opportunity to reduce or eliminate many of the delays which plagued the Alaska Oil Pipeline.
- In addition to the detailed record already produced by the FPC in this proceeding, there are many other policy aspects of the prospective transportation system that should be taken into consideration before a final decision.



This legislation would change the Commission's posture from a quasi-judicial role to a staff position vis-a-vis the President and Congress.

It would thereby enable the Commission and its staff to use the expertise of other Federal Departments and of outside experts in reaching the ultimate recommendation to the President, and also provide subsequent staff assistance to Congress in a fashion that is not now possible under the restrictions of the Natural Gas Act, the Administrative Procedure Act, and the Commission's Regulations.

- From an administrative standpoint, it is important to have deadlines that force action, particularly in the earlier stages, for this agency, the other Federal agencies, and States involved, and perhaps the Canadian government agencies.
- The Presiding Administrative Law Judge held an on-the-record conference of the three applicants in the FPC proceeding. No applicant stated that the provisions of this legislation precluded consideration of its application.
- There are some added complications because of various requirements and conditions of the bill. It is our opinion, however, that they are not insurmountable.

It is for these reasons that the Commission recommends executive approval of this bill.

Sincerely yours,

A handwritten signature in cursive script that reads "Richard L. Dunham". The signature is written in dark ink and is positioned above the typed name and title.

Richard L. Dunham
Chairman

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

OCT 14 1976

MEMORANDUM FOR JAMES M. FREY
OFFICE OF MANAGEMENT AND BUDGET

ATTN: Ms. Ramsey

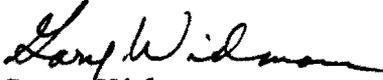
SUBJECT: Enrolled Bill, S. 3521, "Alaska Natural Gas
Transportation Act of 1976."

The Council has reviewed the enrolled bill, S. 3521, the Alaska Natural Gas Transportation Act.

The proposed legislation would establish an expedited process for arriving at a Presidential and Congressional decision on the appropriate transportation system for delivering Alaska Natural Gas to the contiguous states and would authorize expedited measures to provide for its construction and initial operation. It would seek to ensure compliance with the National Environmental Policy Act by specifically requiring the submission of environmental impact statements on pipeline alternatives by the Federal Power Commission, by receiving the views of CEQ on EIS sufficiency before a Presidential decision is issued and by Presidential review of EIS sufficiency when reporting a pipeline decision to Congress.

The Act would also require CEQ to receive public oral and written views of the adequacy of the EIS submitted to Congress with the President's decision and to summarize such views in a report to Congress. Committees in each House would conduct their own hearings on EIS adequacy and the Congress, in approving the President's decision, would be required to find that NEPA had been complied with. The Council believes that these procedures are sufficiently specific to justify the legislation's restriction of judicial review of EIS sufficiency under NEPA.

Accordingly, we recommend that the President sign this bill into law.


Gary Widman
General Counsel



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

OCT 14 1976

Dear Mr. Lynn:

This responds to your request for the views of this Department concerning enrolled bill S. 3521, "The Alaska Natural Gas Transportation Act of 1976", which is before the President for approval.

Although we have serious reservations about certain of its provisions, we recommend that the President approve the bill.

S. 3521 is similar in purpose and basic approach to the Administration proposal introduced April 1, 1976, as H.R. 12983. The enrolled bill would establish a process to expedite governmental determinations concerning which, if any, proposed system should be approved for transportation of Alaskan natural gas to the lower 48 States. It would suspend proceedings currently pending before the Federal Power Commission on Alaskan natural gas transportation applications. The FPC would be required to review the various proposals and alternatives and not later than May 1, 1977, submit a recommendation to the President concerning the selection of a transportation system. The recommendation must be accompanied by a report containing specified information pertinent to evaluation of the various possible choices. Not later than July 1, 1977, other Federal agencies could submit written comments to the President, as could States and other governmental units and interested persons. After opportunity for public comment, the Council on Environmental Quality would be required to report on environmental impact statements and other Federal agencies would be required to report on actions required by law to implement a proposal and whether waivers of any requirements of law are desirable. By September 1, 1977, the President would be required to submit a recommendation to Congress and if he recommends approval of a system it must "assure delivery of natural gas to points both east and west of the Rocky Mountains...." The President's decision would become effective if approved by joint resolution of Congress within the first 60 days of continuous session. Upon failure of Congress to approve within that period, the President could propose a new decision. Provisions are included in the bill for expedited Congressional consideration of a resolution. Judicial review of actions taken pursuant to S. 3521 are limited.



RECEIVED
OCT 14 1976

Potentially serious problems in both the process for making a decision concerning the system and in the implementation and development of the decision are presented by a number of S. 3521's provisions not found in the Administration bill. If the President signs the bill, his signing statement should clearly point out these problems.

The most objectionable provisions in S. 3521 are:

1. The Congressional Approval Process

Section 8 of the bill provides that a decision of the President, made pursuant to section 7, shall be submitted to the Congress for approval and shall only become final upon enactment within sixty days of a joint resolution of approval by both Houses of Congress. Upon a failure of Congress to act after sixty days the President could submit a new decision for approval. If Congress failed a second time to enact a joint resolution of approval, the decision-making would revert back to ordinary FPC procedures. There is no provision in S. 3521, as there was in the President's bill, for the President's decision to become law if Congress fails to act.

Congress would be under no requirement to act and this could result in delay or in no decision. If no decision were made by Congress, the overall process would then be longer than if S. 3521 had not been enacted and the ordinary FPC process, which the bill seeks to replace, had been followed. The provision for a joint resolution of approval establishing de-novo Congressional consideration and choice of a system by joint affirmative action risks additional delay and could negate the purpose of the bill.

The bill also purports to prevent the President from resubmitting the same decision to Congress, even after a prior failure of approval due to Congressional inaction. Rather it directs him to submit a new decision which "differs in a material respect from the previous decision." This places an unnecessary and undesirable constraint on the President and could prevent choosing the most favorable system.

2. The Required Direct East-West Distribution of Alaska Gas

Section 5(b)(1)(C) and 7(a)(1) require that, whichever system is chosen, provisions must be made for new facilities to the extent necessary to assure direct pipeline delivery of Alaska natural gas contemporaneously to points both east and west of the Rocky Mountains. Insofar as this restricts equitable distribution of gas through displacement, it may require extremely costly and unnecessary new facilities at the ultimate expense of the consumer.

An overall equitable distribution of national gas supplies might be achieved by other means than direct distribution of Arctic gas and at less cost.

The provision could also be detrimental to one of the FPC applicants by requiring additions to its proposal that could not be timely made and would add considerable expense. Efforts should be made to assure that in the study and review process, all possibilities are studied and considered, so that a system proposed will provide the most benefit to the consumer and to the Nation as a whole.

3. CEQ Review Process

The quasi-judicial role established for the Council on Environmental Quality to hold evidentiary hearings and make findings of legal and factual sufficiency is far beyond their current role and expertise and could raise legal problems.

4. Potential for Delay

In addition to the Congressional review provisions specified above, other provisions mitigate against expediting governmental decisions on transportation of Alaskan natural gas to the lower 48 States. Delay could result from the provision requiring a Congressional joint resolution to approve a waiver of law. Judicial review provisions in the bill (Section 10) appear less effective in curtailing extended litigation than corresponding provisions of the Administration bill. Much of the flexibility the Administration bill provided for applying terms and conditions in permits and authorizations, for waiver of procedural provisions, and for issuance of various authorizations, has been eliminated in S. 3521.

The bill provides for a Federal inspector or monitor of the approved system. In implementing the bill, the inspector can provide useful coordination of varied agency responsibilities, but it can also result in jurisdictional confusion and disharmony. The Federal inspector role should be carefully developed to maximize its potential for coordinating and integrating agency functions to achieve an efficient and harmonious Federal effort on the project.

We favor approval of S. 3521 because it provides important benefits that cannot be assured in any other way in timely fashion and because time is of the essence in this matter of overriding national significance. The bill provides for immediate, concentrated focus on the Alaskan gas transportation issue in all pertinent segments of Government. It establishes an improved forum and process for decision, including Presidential and Congressional review, on an issue whose national importance warrants such review. This review would not be obtained under the normal administrative process nor would an early comprehensive, interagency program of review and reporting. The bill may assist in expediting a decision, and may also speed development of a system if one is chosen. Of equal importance, given the

defects of the bill, it provides for further administrative and legislative action that can offer the opportunity to correct or mitigate the difficulties the bill presents.

In implementing the bill every effort should be made to assure that all significant issues are carefully addressed in the administrative review and reporting process. This is particularly essential for issues bearing on cost and financing, since they are so crucial in assessing the public benefits of the project. The possible effect of a Canadian native claims settlement, which could add several billions of dollars on the cost of the transportation system, should be carefully investigated. The likelihood of delays, cost overruns, and the potential need for Federal funding must be carefully considered. The possibility of a Presidential decision not to approve any system should not be overlooked if review should disclose that the likely combined private-public investment in this project could achieve greater domestic energy benefits elsewhere.

On balance we believe the positive features of the bill outweigh the negative. We therefore recommend that the President sign the bill, expressing the serious reservations outlined above at the time he approves it.

Sincerely yours,



Secretary of the Interior

Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D. C.



FEDERAL ENERGY ADMINISTRATION

WASHINGTON, D.C. 20461

October 14, 1976

OFFICE OF THE GENERAL COUNSEL

MEMORANDUM FOR JAMES M. FREY
ASSISTANT DIRECTOR FOR LEGISLATIVE
REFERENCE
OFFICE OF MANAGEMENT AND BUDGET

FROM: MICHAEL F. BUTLER
GENERAL COUNSEL

A handwritten signature in black ink that reads "Michael F. Butler".

SUBJECT: ENROLLED BILL S. 3521, THE ALASKA NATURAL
GAS TRANSPORTATION ACT OF 1976

This is in response to your memorandum of October 12, 1976, in which you requested the views of the Federal Energy Administration on the subject enrolled bill. The enrolled bill provides that:

1. The Federal Power Commission will complete its current proceedings related to the possible approval of a transportation system for the delivery of North Slope Alaskan natural gas to the lower 48 states and transmit a recommendation to the President by May 1, 1977.
2. The President will obtain other reports and recommendations with respect to alternative natural gas delivery systems from other Federal agencies, State governments, and interested persons by July 1, 1977.
3. The President, after reviewing the Federal Power Commission's recommendation and other information, may select a route and transmit his decision to the Congress, with a statement of his reasons for such selection.
4. The Congress will review the President's decision, if any, within 60 days of submission, and it will become effective upon passage of a Joint Resolution of approval.



If the Congress fails to approve the decision, the President may submit a new decision which would be subject to the same review process.

5. All Federal officers or agencies shall expedite the issuance of all certificates, permits, rights-of-way, leases and authorizations necessary to implement the final decision.

6. Judicial review of all actions taken under the law shall be limited as described therein.

The Federal Energy Administration recommends that the President approve the bill. Although some procedures described in the bill differ from those originally proposed by the Administration, and although several specific requirements contained in the bill were not supported by the Administration, we believe that approval is nevertheless warranted because:

1. The bill remains close to the President's bill in concept and timing.

2. The bill is likely to reduce the risk of significant litigation induced delays of construction of an approved transportation system.

3. All three applicants in the pending proceeding before the Federal Power Commission, environmental groups and most governors in affected areas support the bill.

4. It is unlikely that similar or improved legislation could be passed next year following a specific Federal Power Commission decision.

In summary, although the bill contains some undesirable features and does not accomplish as much as we had hoped, the Federal Energy Administration believes that: (1) it contains some worthwhile provisions, (2) its objectionable provisions do not completely outweigh the bill's merits, (3) it has widespread support and (4) is better than no bill at all in terms of expediting the construction of the gas line from Alaska. Accordingly we recommend that the enrolled bill be approved by the President.

Department of Justice
Washington, D.C. 20530

October 14, 1976

Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

In compliance with your request, I have examined a facsimile of the enrolled bill S. 3521, "To expedite a decision on the delivery of Alaska natural gas to United States markets, and for other purposes."

The purpose of this "Alaska Natural Gas Transportation Act of 1976" is to provide a procedure whereby the President is intimately involved in conjunction with the Congress in making a decision regarding the selection of a transportation system for the delivery of Alaska natural gas to the contiguous States. The procedure set forth in this proposed Act is supposedly designed to expedite the construction and initial operation of such a transportation system by formalizing the selection process. This objective is to be achieved by taking the decision as to the selection of the appropriate gas pipeline route from the Federal Power Commission and placing that decision directly with the President. The Federal Power Commission is directed to implement the Presidential decision by issuing the necessary certificate of public convenience and necessity and, prior to its issuance, to provide the President with a recommendation regarding the appropriate route as well as its comments as to any proposed route under consideration by the President. Before a Presidential decision as to the appropriate route selection can become effective, the Congress by joint resolution must agree with that Presidential decision. At the time the Presidential decision and report is submitted to Congress, it must also contain any recommendations as to which statutory procedures and provisions should be waived in order to expedite the construction and initial operation of the proposed transportation

system. The Congress by joint resolution must approve any waiver of pre-existing statutory provisions and procedures.

The proposed Act provides for the consideration of the antitrust consequences resulting from any route selection. The report of the Federal Power Commission, submitted to the President, with its recommendation regarding an appropriate route, must include a consideration of the impact of that route selection upon competition. Moreover, the impact on competition is an issue to be considered by those Federal agencies or officers who submit written comments to the President with respect to the recommendation and report of the Federal Power Commission. Section 19 of the Act further requires the Attorney General to conduct a thorough study of the antitrust issues and problems relating to the production and transportation of Alaska natural gas. This Department is of the opinion that antitrust issues inherently involved in the selection of an appropriate route will be adequately considered under the provisions of this Act.

This Department further finds no constitutional impediment in the implementation of a Presidential decision regarding route selection only after approval by Congress through joint resolution since such a procedure merely follows the normal legislative process. Further, section 10's limitation of the right of judicial review is constitutionally valid. However, this Department wishes to note that it does not as a matter of principle unqualifiedly endorse measures which require the President to make an Executive decision within a set period of time. Moreover, this Department wishes to note that, although the preclusion of judicial review provision in this Act is legally valid, it falls short of the Administration's proposal. Also the Act does not provide for the preclusion of the injunctive process. Again the failure to provide for a stay of injunctions represents a major departure from the Administration's former position.

The Department of Justice defers to those agencies more directly concerned with the subject matter of the bill as to whether it should receive Executive approval.

Sincerely,

A handwritten signature in cursive script that reads "Michael M. Uhlmann". The signature is written in dark ink and has a long, sweeping horizontal line at the end.

Michael M. Uhlmann
Assistant Attorney General
Office of Legislative Affairs

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

OCT 14 1976

Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

This is in response to your request for our views on the enrolled enactment of S. 3521, entitled the "Alaska Natural Gas Transportation Act of 1976."

The purpose of S. 3521 is to expedite the construction of a natural gas transportation system for delivery of Alaska natural gas to other States. With respect to most provisions of this legislation, we defer to those agencies which would be more directly involved with its implementation. However, we are concerned with two provisions in the bill.

Section 17 of S. 3521 requires that the Federal agencies responsible for administering the Act "shall take such affirmative action as is necessary to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, be excluded from receiving, or participating in any activity conducted under, any permit, right-of-way, lease, or other Federal authorization granted or issued pursuant to this Act." Appropriate Federal agencies would be given the authority to issue necessary implementing regulations, which would have to be similar to those established under title VI of the Civil Rights Act. This section is nearly identical to the antidiscrimination provision of the "Trans-Alaska Pipeline Authorization Act." That provision has been construed to require affirmative action in employment on the Trans-Alaska oil pipeline. As we stated in our July 28 report to your office, this Department would have preferred that such an antidiscrimination provision, as it relates to employment discrimination, be made expressly subject to the provisions of Executive Order 11246, administered by this Department, which prohibits employment discrimination by Federal contractors. We were concerned that compliance might be made more difficult by the proliferation of the various Federal affirmative action provisions relating to employment. However, we do believe that section 17 provides meaningful antidiscrimination protection for employees, as well as for others involved in the program, similar to the protection afforded those involved with the Trans-Alaska oil pipeline program.

In addition, section 5(b) of the bill requires Federal agencies to submit information to the Federal Power Commission. Our letter of July 28 also expressed concern that such broad language could inadvertently be construed to have an adverse effect on the important economic and social statistics programs conducted by this Department's Bureau of Labor Statistics. Most of BLS' data is voluntarily submitted by respondents under a pledge of confidentiality. The quality of BLS statistical programs is in large part dependent on such voluntary cooperation, which might well be jeopardized if confidential information supplied by respondents were to be required to be disclosed to the Commission in identifiable form. We trust that S. 3521 will not be so interpreted.

We therefore have no objection to Presidential approval of this Act.

Sincerely,



Secretary of Labor



ASSISTANT SECRETARY

OFFICE OF THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

OCT 14 1976

Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

You have asked for our views on S. 3521, an enrolled bill,

"To expedite a decision on the delivery of
Alaska natural gas to United States markets
and for other purposes."

This bill would establish procedures to expedite the selection and construction of a pipeline system to transport natural gas from Alaska to domestic markets in the lower 48 States.

The United States portion of any pipeline system eventually chosen under the procedures of the bill will have to be designed, constructed, operated, and maintained in accordance with Department of Transportation regulations and, therefore, the level of safety necessary to protect life and property in the U.S. is assured. We have previously expressed concern, however, about any proposed pipeline transportation system which would cross Canada. The portion of such a system which crosses Canada would be outside the Department's regulatory jurisdiction. Problems on the Canadian portion of the pipeline system might affect continuity of service to U.S. markets. We, therefore, had recommended that the bill condition authorization for construction of such a pipeline system upon completion of an Executive Agreement with the Government of Canada which would provide for design, construction, operation, and maintenance requirements cooperatively established between the Department of Transportation and the appropriate Canadian authorities.

Although the enrolled bill does not incorporate this condition, section 6 of the bill would provide an opportunity for the Department of Transportation to submit comments to the President on matters of safety and international relations, including the status and time schedule for any necessary Canadian approvals and plans. The President has authority pursuant to Section 7(a)(4) of the bill to condition his designation of a pipeline system on satisfactory arrangements with Canada regarding pipeline design, construction, operation, and maintenance requirements.

Section 7(a)(5) of the bill would require the appointment of an officer of the U.S. or the designation of a board to serve as Federal inspector of construction of an Alaska natural gas transportation system. While we are still concerned that the powers and duties of the Federal inspector may duplicate existing agency responsibilities, including those of this Department and would have preferred the bill to require the Federal inspector to coordinate his activities with concerned agencies, we are satisfied that the bill adequately addresses the need to assure compliance with Department of Transportation safety regulations during construction of an Alaska natural gas transportation system.

Because the enrolled bill establishes the necessary procedures for reaching a timely decision on an Alaska natural gas transportation route and because we believe it adequately ensures coordination of all executive and independent agency determinations, we recommend that the President sign the enrolled bill.

Sincerely,



Robert Henri Binder
Assistant Secretary for Policy,
Plans and International Affairs



**GENERAL COUNSEL OF THE
UNITED STATES DEPARTMENT OF COMMERCE**
Washington, D.C. 20230

OCT 14 1976

Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D. C. 20503

Attention: Assistant Director for Legislative Reference

Dear Mr. Lynn:

This is in reply to your request for the views of this Department concerning S. 3521, an enrolled enactment

"To expedite a decision on the delivery of Alaska natural gas to United States markets, and for other purposes,"

to be cited as the "Alaska Natural Gas Transportation Act of 1976".

S. 3521 would require the Federal Power Commission to recommend a pipeline system to deliver North Slope natural gas to the lower 48 states from the three systems which have been proposed and are now pending before that agency. The FPC recommendation would have to be made before May 1, 1977, and be supported by a report explaining the basis of the decision, expected delivery volumes, costs, prices, environmental impacts and other relevant factors, including expected lower 48 state regional impacts.

Federal agencies, states and other interested persons would have an opportunity to comment to the President on the FPC recommendation. The Council of Environmental Quality would be required to hold hearings on the FPC's environmental impact statement. All comments would have to be submitted by July 1, 1977.

The President would issue a decision on whether a system should be approved and designate such a system for approval by September 1, 1977, (or 90 days thereafter in certain instances). Congress would have to approve the decision by Joint Resolution within 60 days. Provisions are made for resubmittal of new proposals in the event of Congressional inaction.



The President would be authorized to seek Congressional approval of waiver of any provision of law in order to expedite construction and operation of the approved system. Further, judicial review would be limited to the Constitutionality of S. 3521, denial of Constitutional rights and claims that actions exceeded the authority granted by S. 3521.

The legislation also contains an export limitation on North Slope gas and provisions for a Presidential study and report on procedures to expedite equitable allocation of North Slope crude oil to northern tier states.

The Department of Commerce recommends approval of S. 3521 by the President.

Enactment of this legislation would not increase the budgetary requirements of this Department.

Sincerely,



General Counsel



GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

WASHINGTON, D. C. 20301

15 October 1976

Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

This is in response to your request for the views of the Department of Defense on enrolled S. 3521, 94th Congress, an act "To expedite a decision on the delivery of Alaska natural gas to United States markets and for other purposes."

The purpose of the bill is to provide the means for the President and Congress to make a sound decision as to the selection of a natural gas transportation system for delivery of Alaska natural gas to the contiguous forty-eight states and to expedite its construction and initial operation by limited judicial and administrative procedures related to such matters.

The bill provides inter alia (1) that the transportation system selected shall provide for delivery of natural gas contemporaneously to points both east and west of the Rocky Mountains in the lower Continental United States; (b) submission of written comments by any Federal officer or agency to the President by 1 July 1977 with respect to the recommendation and report of the Federal Power Commission and alternative methods for transportation of Alaska natural gas for delivery to the contiguous States; (c) a report to Congress by the President concerning what expediting procedures are necessary to ensure the equitable allocation of North Slope crude oil to the Northern Tier States.

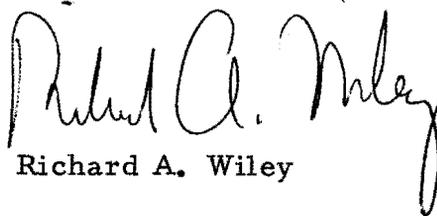
In compliance with the bill the Department of Defense would provide information to the President by 1 July 1977, with respect to the implications to national security, particularly questions of security of supply, of the recommended and alternative methods of delivering Alaska natural gas to the contiguous States. Further comment would be submitted with re-

gard to the regulatory responsibilities of the Corps of Engineers to include Section 404 of the Federal Water Pollution Control Act Amendments of 1972 (33 U. S. C. 1344) for discharge of dredged or fill material into waters of the United States, and Section 10 of the River and Harbor Act of 1899 (33 U. S. C. 403) for any structure or work in or affecting a navigable water of the United States.

Attainment of energy independence is a goal strongly advocated by the Department of Defense. Expediting the supply of North Slope gas and crude oil as sought by this bill is an important step towards increased energy independence and national security.

In consideration of the foregoing views, the Department of Defense recommends the President's approval of the enrolled enactment.

Sincerely,

A handwritten signature in cursive script that reads "Richard A. Wiley". The signature is written in dark ink and is positioned above the printed name.

Richard A. Wiley





DEPARTMENT OF STATE

Washington, D.C. 20520

OCT 15 1976

Dear Mr. Lynn:

The Department of State has been requested by James M. Frey to provide its views and recommendations on enrolled bill S. 3521, the "Alaska Natural Gas Transportation Act of 1976".

The principal foreign policy consideration affected by the enrolled bill relates to the time period during which the President is required to make a decision on a transportation system for Alaskan natural gas. We favor the procedure which will result in the earliest possible decision with respect to the transportation of natural gas from Alaska to the lower forty-eight states. We believe at this point that we should keep all options open, including the possibility of a transportation system which crosses Canadian territory.

In order for all options to be placed before the President, the timing of his decision must be coordinated with the Canadian decision. The Canadian Government has indicated that it expects to complete its decision process during the first half of 1977. Since S. 3521 requires the President to make his decision by September 1, 1977, the timetable is compatible with the expected conclusion of the Canadian decision process.

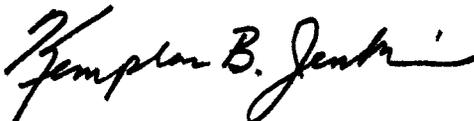
As we have considered the legislation, we are concerned with the provision regarding a joint resolution, since this is tantamount to seeking further

The Honorable
James T. Lynn, Director,
Office of Management and Budget.

legislation from the Congress. Nonetheless, while this bill is imperfect, a veto might further delay and complicate the decision process. Thus, on balance, we recommend that the President sign the bill.

The Department defers to other agencies on questions of changes in existing law and budgetary impact.

Sincerely,

A handwritten signature in black ink, reading "Kempton B. Jenkins". The signature is written in a cursive style with a prominent initial "K".

Kempton B. Jenkins
Acting Assistant Secretary
for Congressional Relations



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OCT 15 1976

OFFICE OF THE
ADMINISTRATOR

Dear Mr. Lynn:

This letter is in response to your request of October 12, 1976, for the views of the Environmental Protection Agency on S. 3521, to be cited as the "Alaska Natural Gas Transportation Act of 1976," an enrolled bill.

The bill directs the Federal Power Commission (FPC) to complete its proceedings with respect to proposals currently under consideration for the transportation of Alaska natural gas and transmit a recommendation thereon to the President by May 1, 1977. The recommendation is to be accompanied by an analysis of the environmental impact and the safety and efficiency of the pipeline's design criteria. Not later than July 1, 1977, other Federal agencies may submit written comments to the President with respect to the FPC recommendations. These comments are required to include, among other subjects, information relating to the environmental considerations of the project, including air, water quality, and noise impacts. The bill directs the President to issue a decision by September 1, 1977, as to whether a transportation system for delivery of Alaska natural gas should be approved under this Act, and if so, he is required to designate the route of such a system. The President's decision would take effect upon enactment of a Joint Resolution by Congress within the first period of 60 calendar days of continuous session after the date of receipt of the decision.

The Environmental Protection Agency recommends that the President sign the enrolled bill. EPA supports the procedure set forth in S. 3521 as the one most likely to achieve the aims of expediting the transportation of Alaska natural gas to the

continental United States and determining the most environmentally acceptable route among the various proposals. The Agency will use this procedure to review and provide further environmental comments on the proposal recommended by the FPC.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Russell E. Train". The signature is fluid and cursive, with a large initial "R" and "T".

Russell E. Train
Administrator

Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D. C. 20503



THE GENERAL COUNSEL OF THE TREASURY
WASHINGTON, D.C. 20220

OCT 19 1976

Director, Office of Management and Budget
Executive Office of the President
Washington, D. C. 20503

Attention: Assistant Director for Legislative
Reference

Sir:

Reference is made to your request for the views of this Department on the enrolled enactment of S. 3521, the "Alaska Natural Gas Transportation Act."

This legislation is designed to facilitate the selection of a transportation system for delivery of Alaska natural gas to the contiguous States, by providing for participation of the President and the Congress in the selection process. If a system is approved under this Act, there is provision for expediting its construction and initial operation. This would be effected by limiting both the court review of and the administrative procedures related to the actions of Federal officers or agencies under the Act.

This enrolled bill reflects considerable modification of the original Administration-proposed legislation. The Department has the following reservations concerning these modifications.

This version of the bill has been modified to require that the President's recommendation be approved by both Houses of Congress, within 60 days or be resubmitted, rather than be automatically accepted unless Congress disapproved within 60 days. In our view, this could result in increased delays in gaining Congressional approval.

The bill contains the provision that the recommended transportation system "include provisions for new facilities to the extent necessary to assure direct pipeline delivery of Alaska natural gas contemporaneously to points both east and west of the Rocky Mountains in the lower continental U.S." It further provides that "volumes of Alaska natural gas, which would be available to each region of the U.S. directly, or indirectly by displacement or otherwise" be reported to the public. These provisions create great ambiguity as to the definition of direct delivery and displacement. Clarification could well result in further delay.

Further, under this Act, the FPC would have to defer its decision on the conversion of the El Paso gas pipeline to transport Alaska crude oil until the President issues a report on allocation of North Slope crude oil to the northern tier States. Because the President has up to six months after the date of enactment to issue such a report, a significant delay of the FPC decision could result.

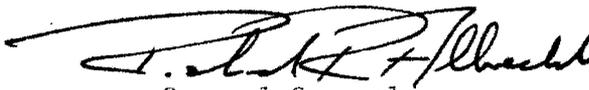
The Department does believe, however, that the importance of construction of an Alaska natural gas pipeline system and the facilitation of private financing for the system that the bill would create serve to balance our reservations.

The most important factors ensuring the financing of the project in the private market are to (1) make a final choice between competing projects; (2) establish favorable regulatory conditions that will enable the consumer to share some of the project risk; and (3) ensure that the gas producers and the shippers also bear some of the financial risks of the project.

Under procedures established by the bill, it would seem that final selection of a project will take place earlier than it would without this legislation. In addition, it appears that the President would have the authority to include in his proposals to Congress regulatory actions to assist private financing, so long as these actions fall within the existing legal authority of the FPC. This would mean that from the standpoint of facilitating private financing, there are some benefits to signing this legislation.

In view of the foregoing, the Department would not object to a recommendation that the enrolled enactment be approved by the President.

Sincerely yours,



Richard E. Albrecht

General Counsel

Richard E. Albrecht



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OCT 19 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 3521 - Alaska Natural Gas
Transportation Act of 1976
Sponsors - Sen. Stevenson (D) Illinois and 5
others

Last Day for Action

October 23, 1976 - Saturday

Purpose

Expedites the decision on the selection of a transportation system for the delivery of Alaska natural gas to the contiguous States by allowing for the participation of the President and the Congress in the selection process and limiting judicial review during construction and initial operation.

Agency Recommendations

Office of Management and Budget	Approval (Signing Statement attached)
Federal Energy Administration	Approval
Department of the Interior	Approval with serious reservations
Federal Power Commission	Approval
Environmental Protection Agency	Approval
Department of Commerce	Approval
Council on Environmental Quality	Approval
Department of State	Approval
Department of the Treasury	Approval (Informally)
Department of Defense	Approval
Department of Transportation	Approval
Department of Labor	No objection
Department of Justice	Defers to other agencies

Date: October 19

Time: 1000pm

10/21/76 - 8:48 am
m

FOR ACTION: Glenn Schleede
Judy Hope
Max Friedersdorf
Bill Seidman
NSC/S

cc (for information): Jack Marsh
Ed Schmults
Steve McConahey

FROM THE STAFF SECRETARY

*429
to 10/21 9:12
10/21 6Am*

*to DJS
10/21 10:30
6Am*

DUE: Date: October 20

Time: 100pm

SUBJECT:

S.3521-Alaska Natural Gas Transportation Act of 1976

ACTION REQUESTED:

- | | |
|---|---|
| <input type="checkbox"/> For Necessary Action | <input type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input checked="" type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

please return to judy johnston, ground floor west wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon
For the President

Attached Original
back-up
March 10, 1976

STATEMENT BY THE PRESIDENT

oh
Last March, my Administration proposed legislation to the Congress to speed the flow of natural gas from our vast reserves in Alaska to consumers in the lower 48 States. I am pleased today to sign S. 3521, the Alaska Natural Gas Transportation Act of 1976, which meets the essential objective of that proposal.

oh oh oh oh oh
Our nation must develop and produce new sources of this vital fuel. The North Slope of Alaska, with the largest known U.S. gas reserves, can supply over 1 trillion cubic feet of gas per year by 1985. This represents reducing U.S. oil import needs by about one-half million barrels per day. This will be a significant step towards energy independence. If the next Congress acts on my proposal for deregulation of new natural gas prices, long-term relief from natural gas shortages can be achieved.

Three proposals for transporting Alaskan gas to the lower 48 States have been filed officially with the Federal Power Commission. This bill establishes an expedited process so that the President and the Congress can make a decision on a route expeditiously.

oh
The bill will mandate the prompt issuance of all necessary certificates, permits, leases, rights-of-way, and other authorizations to expedite the initial construction of the route chosen. To ensure adequate environmental safeguards, no final decision will be made unless all appropriate Environmental Impact Statements have been completed. The bill also limits to some degree the scope and timing of judicial review, consistent with constitutional safeguards, so that the gas will flow as soon as possible.

The Alaskan Natural Gas Transportation Act of 1976 contains several procedural sections which are significantly different than those proposed by the Administration. Should it become apparent that these provisions will hinder the purposes of the bill, I will seek legislative remedies.

FEA

Mr.
Kreitler
*4525

The passage of this Act is one of the early steps that will ultimately lead to the building of a natural gas pipeline--the largest private construction project ever to be undertaken. The building of this pipeline typifies the role that the private sector must take as we increase our energy supplies. In this case, the role of the Federal Government is to assure an expeditious decision and to avoid causing construction delays.

In my State of the Union Message less than two years ago, I set forth this nation's first energy goals and comprehensive program for achieving energy independence. Since that time, I have proposed over 20 specific measures to promote energy conservation and develop our domestic energy resources.

With the signing of this piece of legislation, nine of my energy proposals are now law. While there is still much to be done, we have made substantial progress--and we will build upon it.

*Nick
Coulter
#3386*

sk

sk

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 10

Date: October 19

Time: 1000pm

FOR ACTION: Glenn Schleede
Judy Hope
Max Friedersdorf
Bill Seidman
NSC/S

cc (for information): Jack Marsh
Ed Schmults
Steve McConahey

FROM THE STAFF SECRETARY

DUE: Date: October 20

Time: 100pm

SUBJECT:

S.3521-Alaska Natural Gas Transportation Act of 1976

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

*APPROVE
RBP*



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 10

Date: October 19

Time: 1000pm

FOR ACTION: Glenn Schleede
Judy Hope
Max Friedersdorf
Bill Seidman
NSC/S

cc (for information): Jack Marsh
Ed Schmults
Steve McConahey

FROM THE STAFF SECRETARY

DUE: Date: October 20

Time: 100pm

SUBJECT:

S.3521-Alaska Natural Gas Transportation Act of 1976

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

Recommend Approval.
mf

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 10

Date: October 19

Time: 1000pm

FOR ACTION: Glenn Schleede
Judy Hope ✓
Max Friedersdorf
Bill Seidman
NSC/S

cc (for information): Jack Marsh
Ed Schmults
Steve McConahey

FROM THE STAFF SECRETARY

DUE: Date: October 20

Time: 100pm

SUBJECT:

S.3521-Alaska Natural Gas Transportation Act of 1976

ACTION REQUESTED:

___ For Necessary Action

___ For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

For Your Comments

___ Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

Approval
Jenith Richards
10/20/76
1:30pm.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 10

Date: October 19

Time: 1000pm

FOR ACTION: Glenn Schleede
Judy Hope
Max Friedersdorf
Bill Seidman
NSC/S

cc (for information): Jack Marsh
Ed Schmults
Steve McConahey

FROM THE STAFF SECRETARY

DUE: Date: October 20

Time: 100pm

SUBJECT:

S.3521-Alaska Natural Gas Transportation Act of 1976

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

*no objection to approval
Kelley 10/20/76*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: Octbber 19

Time: 1000pm

FOR ACTION: Glenn Schleede
Judy Hope *oh*
Max Friedersdorf
Bill Seidman *oh*
NSC/S *oh*

cc (for information): Jack Marsh
Ed Schmults
Steve McConahey

FROM THE STAFF SECRETARY

DUE: Date: October 20

Time: 100pm

SUBJECT:

S.3521-Alaska Natural Gas Transportation Act of 1976

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston,ground floor west wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President



Date: October 19

Time: 1000pm 10/21/76 - 8:48 am
n

FOR ACTION: Glenn Schleede
Judy Hope
Max Friedersdorf
Bill Seidman
NSC/S
Robert Hartmann

cc (for information): Jack Marsh
Ed Schmults
Steve McConahey

FROM THE STAFF SECRETARY

DUE: Date: October 20

Time: 100pm

SUBJECT:

S.3521-Alaska Natural Gas Transportation Act of 1976

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

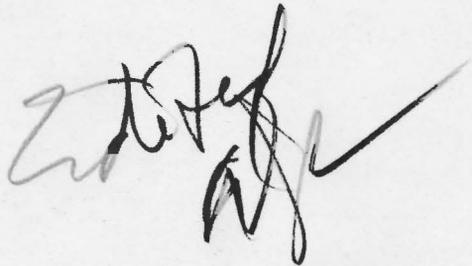
For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

10/21 - Copy sent for researching. nm.



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon
For the President

STATEMENT BY THE PRESIDENT

Last March, my Administration proposed legislation to the Congress to speed the flow of natural gas from our vast reserves in Alaska to consumers in the lower 48 States. I am pleased today to sign S. 3521, the Alaska Natural Gas Transportation Act of 1976, which meets the essential objective of that proposal.

Our nation must develop and produce new sources of this vital fuel. The North Slope of Alaska, with the largest known U.S. gas reserves, can supply over 1 trillion cubic feet of gas per year by 1985. This represents reducing U.S. oil import needs by about one-half million barrels per day. This will be a significant step towards energy independence. If the next Congress acts on my proposal for deregulation of new natural gas prices, long-term relief from natural gas shortages can be achieved.

Three proposals for transporting Alaskan gas to the lower 48 States have been filed officially with the Federal Power Commission. This bill establishes an expedited process so that the President and the Congress can make a decision on a route expeditiously.

The bill will mandate the prompt issuance of all necessary certificates, permits, leases, rights-of-way, and other authorizations to expedite the initial construction of the route chosen. To ensure adequate environmental safeguards, no final decision will be made unless all appropriate Environmental Impact Statements have been completed. The bill also limits to some degree the scope and timing of judicial review, consistent with constitutional safeguards, so that the gas will flow as soon as possible.

The Alaska Natural Gas Transportation Act of 1976 contains several procedural sections which are significantly different ^{from} those proposed by the Administration. ~~Should it become apparent~~ ^{If it appears} that these provisions will hinder the purposes of the bill, I will seek legislative remedies.

The passage of this Act is one of the early steps ^{ultimately leading} ~~that will ultimately lead~~ to the building of a natural gas pipeline--the largest private construction project ever to be undertaken. The building of this pipeline ^{exemplifies} ~~typifies~~ the role that the private sector must take as we ^{continue our efforts to} increase our energy supplies.

In this case, the role of the Federal Government is to ^{ensure} ~~assure~~ an expeditious decision ^{so that} ~~and to avoid causing~~ construction delays ^{will be avoided.}

¹⁹⁷⁵
 In my State of the Union Message ~~less than two years ago~~, I set forth this nation's first energy goals and comprehensive program for achieving energy independence. Since that time, I have proposed over 20 specific measures to promote energy conservation and develop our domestic energy resources.

With the signing of this piece of legislation, nine of my energy proposals are now law. While there is still much to be done, we have made substantial progress--and we will build upon it.

NATIONAL SECURITY COUNCIL

October 20, 1976

MEMORANDUM FOR: JAMES M. CANNON
FROM: Jeanne W. Davis *JWD*
SUBJECT: *Jo* S. 3521

The NSC Staff concurs in the proposed enrolled bill S. 3521 - Alaska Natural Gas Transportation Act of 1976.

THE WHITE HOUSE

WASHINGTON

October 20, 1976

MEMORANDUM FOR:

JUDY JOHNSTON

FROM:

STEVE McCONAHEY *SM*

SUBJECT:

S. 3521
Alaska Natural Gas
Transportation Act
of 1976

From telegrams I have received from Western governors, I recommend that the President seriously consider the impact of this bill in a political sense as well as in light of its impact on providing natural gas for the country.

As indicated in the attached messages, this bill will provide means for transporting needed gas supplies to the lower forty-eight states. Although generally the strongest appeals are from Western governors, others support this measure because of the overall effect it will have on the natural gas supplies throughout the country.

I recommend that the President sign this bill.

Attachments



STATE OF MICHIGAN

OFFICE OF THE GOVERNOR

LANSING

WILLIAM G. MILLIKEN
GOVERNOR

October 6, 1976

*Rec'd
Miliken*

The Honorable Gerald R. Ford
President of the United States
The White House
Washington, DC

Dear President Ford:

The decline in proven United States natural gas reserves poses a significant threat to the social and economic well-being of our nation. As you know, the Midwest is particularly vulnerable to such a natural gas shortage.

One crucial step toward alleviating a potential natural gas crisis is by transporting natural gas from the Arctic Slope. Although I continue to personally support the Trans-Canada routing of natural gas from Alaska, it is critical to take action now and avoid any unnecessary delay. Congress has approved S. 3521, a procedural bill to facilitate determining the pipeline route for Alaskan natural gas by establishing a realistic timetable for decision.

The bill will soon be before you, and I strongly urge and hope you will sign S. 3521.

Warm personal regards.

Sincerely,

Governor

F41 8.27

FYI sent

The White House
Washington

WHA088(1744)(2-035880A279)FD 10/05/76 1744

ICS IPMAFUB AHG

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PMS THE HONORABLE GERALD FORD

WHITE HOUSE DC

I UNDERSTAND THAT F. 352, THE BILL ESTABLISHING A
PROCEDURE FOR MAKING A FINAL DECISION ON THE TRANSPORTATION
OF NORTH SLOPE NATURAL GAS, IS ON YOUR DESK FOR
SIGNATURE. ALTHOUGH I ASSUME YOU FULLY INTEND TO
SIGN THE BILL INTO LAW, I WANT TO BE CERTAIN YOU
KNOW OF MY FULL SUPPORT FOR THIS LEGISLATION, AND
MY DESIRE THAT IT BE SIGNED PROMPTLY.

THE BILL IS IN THE NATIONAL AND STATE INTEREST AND
HAS MY FULLIST FAVOR, SINCERELY,

JAY S. HAMMOND, GOVERNOR

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The White House
Washington

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7 HIS PRESIDENT GERALD R FORD

8 WHITE HOUSE DC 20500

9 I URGE YOUR SUPPORT OF SENATE BILL 3521 THE ALASKAN GAS

10 TRANSPORTATION LEGISLATION SUCH LEGISLATION IS BADLY NEEDED TO MAKE

11 ADDITIONAL SUPPLIES OF NATURAL GAS AVAILABLE TO THE MAINLAND STATES.

12 THE PEOPLE OF THIS STATE AND THOSE IN OTHER WESTERN STATES NEED MORE

13 ASSURED SUPPLIES OF NATURAL GAS AND THIS LEGISLATION IS VITALLY

14 IMPORTANT TO THIS SECTION OF THE COUNTRY SINCERELY

15 DANIEL J EVANS GOVERNOR STATE OF WASHINGTON

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The White House
Washington

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FMS PRESIDENT GERALD FORD, DLR

WHITE HOUSE DC 20151

DEAR MR PRESIDENT AS YOU KNOW THIS NATION FACES AN INCREASINGLY
SERIOUS NATURAL GAS SHORTAGE. KANSAS IS A MAJOR PRODUCER OF NATURAL
GAS FOR THIS NATION AND BEING BOTH A PRODUCER AND CONSUMER IS AWARE
OF THE SERIOUSNESS OF THE NATURAL GAS SITUATION. MEANS MUST BE TAKEN
TO EXPIDITE THE CONSTRUCTION OF A SYSTEM TO TRANSPORT NATURAL GAS
FROM THE ARCTIC FIELDS TO THE LOWER 48. ALTHOUGH KANSAS CONSUMERS
MAY NOT BE DIRECT RECIPIENT OF ARCTIC GAS A MEANS OF TRANSPORTING
NATURAL GAS INTO THE LOWER 48 HAS THE POTENTIAL OF DECREASING THE
RATE AT WHICH OUR RESOURCES ARE DEPLETED. SENATE BILL 3521 PASSED
BY THE SENATE ON OCTOBER 1, 1976 IS DESIGNED TO EXPIDITE THE
CONSTRUCTION OF A TRANSPORTATION SYSTEM TO MOVE GAS INTO THE LOWER

48 AND AFFORDS EXCESS TO THAT GAS BY THE CITIZENS OF THIS COUNTRY. I
URGE THAT YOU SIGN INTO LAW SENATE BLL 3521 SO THAT THIS NATION MAY
SOON HAVE EXCESS TO NATURAL GAS RESERVES IN THE ARCTIC.

ROBERT F BENNETT
GOVENOR OF KANSAS
NNNN

FYI Sent

Office of the House
Washington

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7 PMS HONORABLE GERALD R FORD, PRESIDENT OF THE UNITED STATES
8 WHITE HOUSE

9 WASHINGTON DC 20500

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12 I WOULD LIKE TO URGE ~~THAT YOU SIGN SENATE BILL 352~~ THE ALASKA
13 ~~NATURAL GAS TRANSPORTATION ACT OF 1976~~ PASSED BY CONGRESS JUST
14 BEFORE ITS ADJOURNMENT THIS LAST WEEKEND. THE PACIFIC NORTHWEST IS
15 VITALLY CONCERNED THAT THE ALASKAN NATURAL GAS TRANSPORTATION SYSTEM
16 ULTIMATELY TO BE CHOSEN BY YOUR YOURSELF AND CONGRESS PROVIDE FOR
17 THE AVAILABILITY OF NORTHERN SLOPE GAS TO THE PACIFIC NORTHWEST AND
18 THE WESTERN UNITED STATES GENERALLY. WE ARE GRATIFIED THAT THE BILL
19 ON YOUR DESK FOR SIGNATURE DOES RECOGNIZE THE NEED FOR A
20 TRANSPORTATION LEG TO THE WESTERN UNITED STATES.
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THANK YOU FOR CONSIDERING THE ENERGY NEEDS OF THE PACIFIC NORTHWEST
IN MAKING YOUR DECISION ON THIS VITAL PIECE OF ENERGY LEGISLATION.

DANIEL J EVANS, GOVERNOR, STATE OF WASHINGTON

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PMS PRESIDENT GERALD FORD

WHITE HOUSE

WASHINGTON DC 20500

SUPPORT AND PASSAGE OF THE HOUSE VERSION OF BILL 3521 IS IMPERATIVE
IF WE ARE TO MOVE TOWARD ENERGY INDEPENDENCE. DELAY WOULD HAVE HUGE
INFLATIONARY IMPACT AND LEAVE US MORE VULNERABLE TO FOREIGN
EMBARGOES

MELDRIM THOMSON JR GOVERNOR NEW HAMPSHIRE STATE HOUSE CONCORD

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1976 OCT 1 3 37 PM 4 1979
HOUSE ROOM

STATEMENT BY THE PRESIDENT

Last March, my Administration proposed legislation to the Congress to speed the flow of natural gas from our vast reserves in Alaska to consumers in the lower 48 States. I am pleased today to sign S. 3521, the Alaska Natural Gas Transportation Act of 1976, which meets the essential objective of that proposal.

Our nation must develop and produce new sources of this vital fuel. The North Slope of Alaska, with the largest known U.S. gas reserves, can supply over 1 trillion cubic feet of gas per year by 1985. This represents reducing U.S. oil import needs by about one-half million barrels per day. This will be a significant step towards energy independence. If the next Congress acts on my proposal for deregulation of new natural gas prices, long-term relief from natural gas shortages can be achieved.

Three proposals for transporting Alaskan gas to the lower 48 States have been filed officially with the Federal Power Commission. This bill establishes an expedited process so that the President and the Congress can make a decision on a route expeditiously.

The bill will mandate the prompt issuance of all necessary certificates, permits, leases, rights-of-way, and other authorizations to expedite the initial construction of the route chosen. To ensure adequate environmental safeguards, no final decision will be made unless all appropriate Environmental Impact Statements have been completed. The bill also limits to some degree the scope and timing of judicial review, consistent with constitutional safeguards, so that the gas will flow as soon as possible.

The Alaska Natural Gas Transportation Act of 1976 contains several procedural sections which are significantly different from those proposed by the Administration. If it appears that

these provisions will hinder the purposes of the bill, I will seek legislative remedies.

The passage of this Act is one of the early steps ultimately leading to the building of a natural gas pipeline -- the largest private construction project ever to be undertaken. The building of this pipeline exemplifies the role that the private sector must take as we continue our efforts to increase our energy supplies. The role of the Federal Government in this case is to ensure an expeditious decision so that construction delays will be avoided.

In my 1975 State of the Union Message, I set forth this nation's first energy goals and comprehensive program for achieving energy independence. Since that time, I have proposed over 20 specific measures to promote energy conservation and develop our domestic energy resources.

With the signing of this piece of legislation, nine of my energy proposals are now law. While there is still much to be done, we have made substantial progress -- and we will build upon it.

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The Alaskan Natural Gas Transportation Act of 1976 contains several procedural sections which are significantly different than those proposed by the Administration. Should it become apparent that these provisions will hinder the purposes of the bill, I will seek legislative remedies.

The passage of this Act is one of the early steps that will ultimately lead to the building of a natural gas pipeline--the largest private construction project ever to be undertaken. The building of this pipeline typifies the role that the private sector must take as we increase our energy supplies. In this case, the role of the Federal Government is to assure an expeditious decision and to avoid causing construction delays.

In my State of the Union Message less than two years ago, I set forth this nation's first energy goals and comprehensive program for achieving energy independence. Since that time, I have proposed over 20 specific measures to promote energy conservation and develop our domestic energy resources.

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