

Preparing from the Past to Develop Our Arctic Future

By

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It is now 35 years since the State of Alaska began to investigate the possibilities of exporting natural gas to markets outside Alaska. In 1976 Governor Hammond sent inquiries to potential financiers about the feasibility of this possibility. The reply from the bankers on Wall Street and from industry leaders was that the market would not support an investment of that magnitude. The domestic market today seems to be the same.

In preparing for a possible change, it would be wise to visit the history of the oil pipeline TAPS start-up. We should revisit the problems that occurred then and examine how they were resolved. The biggest problem did not actually involve the market, but was about how to build the pipeline itself.

In 1968, it was announced that the pipeline would cost an estimated \$900 million. There was a great debate by the federal and state regulators with the oil industry about whether to bury the entire length of the pipeline. The oil industry had little experience with permafrost at that time, having only drilled a few wells in permafrost areas. The United States, on the other hand, had constructed the Distant Early Warning (DEW) Line from the tip of the Aleutian Islands to the north tip of Greenland and had a great deal of recent experience. The United States also had the benefit of lessons learned from constructing 72 airports and thousands of miles of roads during World War II. The faculty at the University of Alaska were also involved in much of the permafrost research undertaken for the federal government.

After Governor Hickel was appointed Secretary of Interior, the U.S. Geological Survey, the Bureau of Land Management and the Corps of Engineers were able to give a good deal of attention to the pipeline. State agencies were also able to provide the expertise they gained in territorial days and during the decade since statehood. Because of this expertise on the regulatory side, by 1973 60 percent of the pipeline was to be elevated on vertical support members (VSMs). The design contract for the VSMs came to \$400 million, raising the total pipeline estimate to over \$8 billion.

The Federal Field Committee for Development Planning in Alaska coordinated federal activities in Alaska and worked closely with the Governor of Alaska from 1964-71. The Committee worked closely on the post-1964 earthquake relief as well as on the Alaska Native Claims Settlement Act. In 1971, it was replaced by the Federal/State Land Use Planning Commission for Alaska, which provided even closer coordination from 1972-1979.

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