



April 27, 2011

Alaska State Legislature
Alaska State Capitol
Juneau, AK 99801

Subject: March Progress Report on the Alaska Stand Alone Gas Pipeline/*ASAP*

Dear Members of the Alaska Legislature:

Pursuant to HB369, the Alaska Gasline Development Corporation (AGDC) is submitting the following monthly project report on the Alaska Stand Alone Gas Pipeline (ASAP) for legislative review.

The Plan of Development was delivered to the United States Corps of Engineers (USACE) on March 1, 2011 and was subsequently delivered to the cooperating agencies including: Federal Bureau of Land Management, Environmental Protection Agency, National Parks Service, Alaska Department of Natural Resources - State Pipeline Coordinators Office, and both the Pipeline and Hazardous Materials Safety Administration and U.S. Coast Guard are officially joining as cooperating agencies. The plan of development is published on the USACE website at the following link:

<http://asapeis.com/ProjectDocuments.aspx>

The USACE published a newsletter on the ASAP project in March. The newsletter was distributed to over 800+ stakeholders and is also published on their website. A copy of the newsletter is attached.

A meeting was held with members of Alaska Department of Environmental Conservation (ADEC) to discuss the Quality Assurance Project Plan for the ASAP project. AGDC will receive approval from ADEC after submitting final documents on air monitoring locations. AGDC is negotiating with representatives from the Alaska Pipeline Project on data sharing and availability of air monitoring information which will reduce state expenditure for the air permitting on the ASAP project.

Dan Fauske and members of the AGDC staff held numerous meetings during the month of March to provide a project update to several audiences. A sampling of meetings and presentations includes:

March 3rd – Alaska Department of Transportation and US Coast Guard, Juneau

March 4th – Golden Valley Electric Association

March 9th – Community meeting was held in the village of Minto
March 10th – Citigroup/Rameriz
March 10th – Meeting in Fairbanks with Minto Development Corporation
March 15th – Gas Caucus briefing in Juneau
March 23rd – Mayor’s Energy Task Force on March 23rd in Anchorage
March 25th – David Gottstein, meeting to discuss his project and proposal

Additional meetings were held daily with contractors and agencies as AGDC continued the work associated with the schedule for submitting the Preliminary Draft Environmental Impact Statement in June and finalizing the summer field work plan. Summer field work planning includes contracting personnel, reserving equipment, and preparing the analysis framework and filing permits. Summer field work will include continuing wetlands work, collecting stream data, furthering the cultural and biological research, analysis of the data and publishing reports on the seasonal work.

AGDC submitted an application to the Commissioner of the Department of Natural Resources (DNR) pursuant to AS 38.35.050, dated March 21, 2011, for a proposed Alaska Stand Alone Gas Pipeline/**ASAP** (ASAP) right-of-way lease. The statewide public notice of the application was published in accordance with AS 38.35.070 on March 24, 2011. A public hearing schedule associated with the State Lease Application is attached. The link to the lease application is:

<http://dnr.alaska.gov/commis/pc/>

Regarding the progress discussed in previous reports; AGDC made the determination that document management for the project is a significant task with possible legal implications in the next phase of development. It is not a task that can be managed by the limited staff currently working in the AGDC office. An RFP will be prepared and the service will be solicited through the procurement process after July 1, 2011.

Additional ASAP EIS milestones:

Preliminary Jurisdictional Determination (PJD) addressing wetlands supporting the Section 404 permit from USACE; Streams and Lakes Collection & Completion report submitted to Alaska Department of Fish & Game; cultural Resources Technical Report to the State History and Archaeology Office; 2010 Field Season Cultural Resources Report to Bureau of Land Management; and a Draft Biological Assessment Report.

AGDC worked with agencies and stakeholders in Anchorage, Fairbanks, Nenana, Minto and Juneau throughout March. The stakeholder calendar for April, May and June will be posted on the AGDC website. All upcoming public notices and ASAP community meetings will be posted on the website.

Legislative work progressed on ASAP project related bills: HB189, HB203, HB215 and SB113.

Thank you for your continued support and interest in the progress of the Alaska Stand Alone Gas Pipeline project. Please call either 907.330.8452 or 907.277.4432 with any questions on information in this report or to request more information on the Project.

Respectfully submitted,



(for)

Dan Fauske
Chair, Joint In-State Gasline Development T

cc: Honorable Governor Parnell
Lieutenant Governor Treadwell
AHFC Board Members
AGDC Team Members
Mayor DeVilbiss
Mayor Hopkins
Mayor Isaacson
Mayor Itta
Mayor Mayrand
Mayor Sullivan

Encl: USACE Newsletter
Public Hearing Schedule for State Lease Right-of-Way

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DEPARTMENT OF NATURAL RESOURCES
STATE PIPELINE COORDINATOR'S OFFICE
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NOTICE OF PUBLIC HEARINGS FOR THE
AS 38.35.070
ALASKA GASLINE DEVELOPMENT CORPORATION
RIGHT-OF-WAY LEASE APPLICATION

The Commissioner of the Department of Natural Resources (DNR) received an application, pursuant to AS 38.35.050, dated March 21, 2011, from the Alaska Gasline Development Corporation (AGDC) for a proposed Alaska Stand Alone Gas Pipeline/ASAP (ASAP) right-of-way lease. The statewide public notice of the application was published in accordance with AS 38.35.070 on March 24, 2011.

The Alaska Gasline Development Corporation has applied for a right-of-way lease proposing to build a 24" natural gas and natural gas liquids pipeline that will originate in Prudhoe Bay and follow the Trans Alaska Pipeline System (TAPS) and Dalton Highway corridors, generally paralleling the highway corridor from the North Slope to near Livengood, northwest of Fairbanks. At Livengood, the pipeline route heads south, joining the Parks Highway corridor west of Fairbanks near Nenana. From there it continues south to its termination where it will connect at MP 39 of the Beluga Pipeline west of Wasilla. A 12" diameter, 35 mile lateral pipeline is proposed to take off from the main pipeline near Dunbar and terminate in Fairbanks.

The State Pipeline Coordinators Office will be holding six (6) Public Hearings on the ASAP right-of-way application. The Public Hearings are on the AS 38.35 application which applies only to the leasing of State Lands for the proposed right-of-way.

The Public Hearings will take place at the following times and locations:

Fairbanks	May 3, 2011	Civic Center – Exhibit Hall	6:00PM to 8:00PM
Barrow	May 4, 2011	Inupiat Heritage Center	5:30PM to 7:30PM
Nenana	May 9, 2011	Nenana Public Library	5:30PM to 7:30PM
Healy	May 10, 2011	Tri-Valley School	5:30PM to 7:30PM
Cantwell	May 11, 2011	Cantwell School	5:30PM to 7:30PM
Willow	May 16, 2011	Community Center	6:00PM to 8:00PM
Anchorage	May 18, 2011	Z.J. Loussac Library	5:30PM to 7:30PM



Alaska Stand Alone Pipeline Project Environmental Impact Statement

Newsletter #1

24-inch diameter, high pressure natural gas pipeline from Alaska's North Slope to Cook Inlet

PROJECT BACKGROUND AND UPDATE

This is the first in a series of newsletters about the Alaska Stand Alone Pipeline Project (Project) Environmental Impact Statement (EIS). The proposed project would be a 24-inch diameter, 737-mile, high pressure natural gas pipeline from Alaska's North Slope to Cook Inlet. The U.S. Army Corps of Engineers-Alaska District (Corps) has been designated the lead federal agency and the Bureau of Land Management (BLM), National Park Service (NPS), Environmental Protection Agency (EPA), and the Alaska Department of Natural Resources (ADNR) are participating as cooperating agencies in the National Environmental Policy Act (NEPA) review process and development of the EIS. As the lead agency, the Corps is responsible for the development of the EIS, as well as necessary permits within its jurisdiction. The cooperating agencies join in this effort so that the EIS provides the basis for their respective actions on the Project.

This newsletter will:

- » Provide a summary of the scoping meetings and a timeline of the NEPA process.
- » Provide a project history.
- » Describe the next steps regarding the analysis of alternatives.

STEPS IN THE NEPA PROCESS

- 1** **Federal Notice of Intent (NOI) to Prepare an Environmental Impact Statement (EIS)**
December 4, 2009
- 2** **Scoping**
Revised Scoping Period:
December 7, 2009 to March 8, 2010
Public Scoping Meetings:
December 8 to December 18, 2009
Scoping Report: Released May 2010
- 3** **WE ARE HERE** **Analysis of Alternatives**
- 4** **Issue Draft EIS**
Available for 45-day public review
- 5** **Public Hearing on Draft EIS**
- 6** **Public Comment Review and Synthesis**
- 7** **Respond to Comments/Prepare Final EIS**
- 8** **Issue Final EIS**
Available for minimum 30-day public review
- 9** **Corps Identifies Least Environmentally Damaging Practicable Alternative**
Public Statements of Agency Decisions

SUMMARY OF PUBLIC SCOPING MEETINGS

In December of 2009, the Corps held a series of eight public scoping meetings across Alaska. The goal of these meetings was to disseminate information and to hear issues and concerns from the public about the Alaska Stand Alone Pipeline Project. Meetings were held in Glenallen, Delta Junction, Nenana, Fairbanks, McKinley Village, Anchorage, Wasila and Barrow.

Scoping is designed to be an open, public process for identifying the scope of significant physical, biological, and social environmental issues related to the proposed Project that should be addressed through the NEPA process. The scoping process is the first



Anchorage Public Scoping Meeting – December 14, 2009

(continued on Page 2)

phase of an ongoing public participation process, which keeps relevant agencies and the interested public engaged in the Project's progress and informed of opportunities to participate in the preparation of the EIS.

WHAT WE HEARD FROM ALASKANS

Public comments were received verbally and in writing, through discussion, testimony, mail, fax, and electronically by email or through the project website. The comments received during scoping fell into 10 impact categories described as follows:

- » Cultural Resources
- » Communication
- » Engineering, Including Route Alternatives
- » Cumulative Impacts
- » Land Use/Recreation
- » Operations
- » Safety
- » Socioeconomic
- » Surface Water and Wetlands
- » Wildlife and Fisheries

Much of the discussion of those attending the scoping meetings focused on details regarding design, alignment, and the relationship to other gas pipeline projects.



Area along the proposed route North of Healy

These comments are a key component to development of the EIS since the scoping process provides the framework for the environmental study. The public and agency input during scoping also influences the development of the reasonable range of feasible alternatives that will be evaluated in the draft EIS.

You can view a complete record of comments from these public scoping meetings on our website at www.asapeis.com, by clicking on the "scoping meetings" tab and downloading the Scoping Report and attached appendices.



Area along the proposed route north of Coldfoot

PROJECT HISTORY

In 2009, Alaska's 26th Legislature passed House Bill 113. This legislation was the genesis of the Alaska Stand Alone Pipeline Project and authorized the development of an in-state pipeline. With the permitting, cost analyses and engineering work for the project underway, the Alaska Legislature acted again in 2010 by passing Speaker Mike Chenault's House Bill 369. House Bill 369 mandated that the State prepare a Project Plan for an in-state natural gas pipeline to be operational by December 31, 2015.

Speaker Chenault's legislation also established a Joint In-State Gasline Development Team to prepare the plan, which is required to be submitted to the Legislature by July 1, 2011. The development team is led by the Alaska Housing Finance Corporation, which created a subsidiary corporation called the Alaska Gasline Development Corporation (AGDC). The primary mission of the AGDC is to plan, construct, and finance the Project. AGDC took over the project in July 2010 and continues to analyze engineering, budget and construction options as they prepare for the July 1, 2011 legislative deadline to submit a Project Plan. The Corps and the other federal cooperating agencies continue to work with AGDC on right-of-way and environmental permitting issues as the Corps develops the EIS for the Project.

PROJECT DESCRIPTION

The purpose of the Alaska Stand Alone Pipeline Project is to provide a long-term, stable supply of up to 500 million standard cubic feet per day of natural gas and natural gas liquids (NGLs) from North Slope gas fields to markets in the Fairbanks and Cook Inlet areas by 2016. The proposed pipeline would be generally located in the vicinity of the Dalton and Parks Highway Corridors. A 12-inch diameter

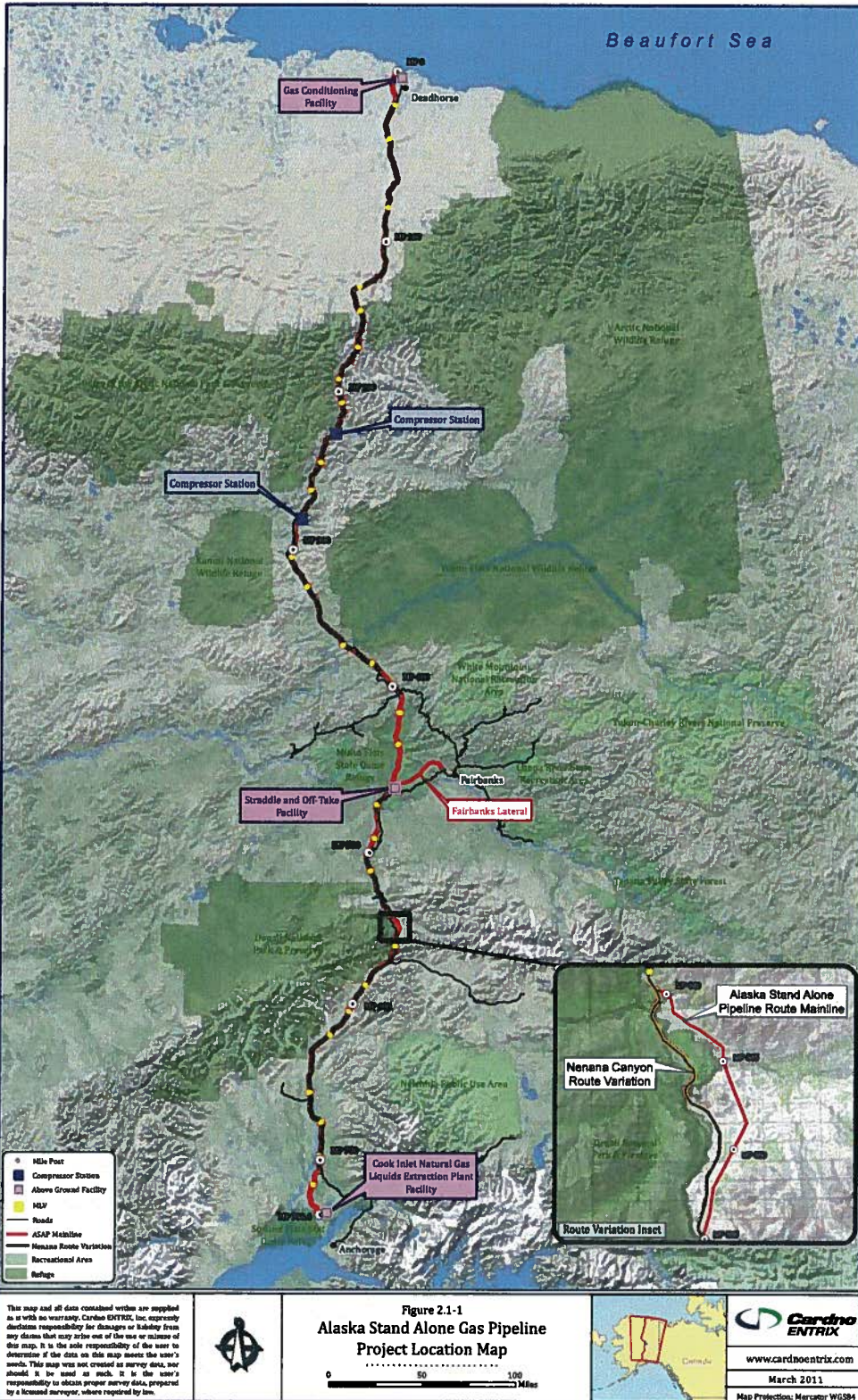


Figure 2.1-1
Alaska Stand Alone Gas Pipeline
Project Location Map

This map and all data contained within are supplied as a work in progress. Cardno ENTRIX, Inc. expressly disclaims responsibility for damages or liability from any claims that may arise out of the use or misuse of this map. It is the sole responsibility of the user to determine if the data on this map meets the user's needs. This map was not created to survey data, nor should it be used as such. It is the user's responsibility to obtain proper survey data, prepared by a licensed surveyor, where required by law.



0 50 100 Miles



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March 2011
Map Projection: Mercator WGS84

lateral pipeline would extend about 35 miles from Dunbar east to Fairbanks. The project would include the following aboveground facilities:

- » North Slope Gas Conditioning Facility
- » 1 or 2 Compressor Stations
- » Straddle and Off-Take Facility near Dunbar
- » Cook Inlet Natural Gas Liquids Extraction Plant Facility
- » Mainline Valves and Pig Launcher/Receivers

Support Facilities would include: Operations and Maintenance Buildings; Construction Camps and Pipeline Yards; and Material Sites. The current project plan is described in detail in *Plan of Development – Revision 1, March, 2011*, available for viewing on the project website: www.asapeis.com

PROJECT ALTERNATIVES

Several alternatives to the proposed project have been identified for further consideration within the EIS. Analysis of the No Action alternative will be conducted as required by the NEPA. A route variation alternative in the vicinity of McKinley Village will also be analyzed in detail. The Nenana Canyon route variation alternative would be located near the Parks Highway within the Nenana Canyon, and would affect lands within Denali National Park. This alternative would provide a shorter, more direct route than the proposed alignment located east of Nenana Canyon.

U.S. Army Corps of Engineers
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Visit the project website at
www.asapeis.com

The full scoping report is now available on the website!



McKinley Park Public Scoping Meeting – December 11, 2009

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