



September 6, 2012

Members of the Alaska State Legislature
Alaska State Capitol
Juneau, AK 99801

Subject: August 2012 **ASAP** Progress Report on the Alaska Stand Alone Pipeline

Dear Members of the Alaska Legislature:

The ASAP project team submits the following ASAP progress report for your review.

The month of August was spent furthering the work on securing the Environmental Impact (EIS) Statement and continuing the ASAP public outreach efforts.

The ASAP project office continues the work on building a valuable project asset portfolio for the State of Alaska. Currently the project portfolio includes the Project Plan of Development on record with the United States Army Corps of Engineers (USACE), a project route as identified in the Draft EIS, the Project Plan as presented to the Alaska legislature in 2011, a 604-mile State of Alaska lease Right-of-Way (including the Fairbanks lateral), tariff models, economic feasibility reports on natural gas by-products, and detailed maps and geotechnical data.

More valuable assets are forthcoming late 2012 and early 2013 which include: the Final EIS, a 100-mile Federal Bureau of Land Management (BLM) lease Right-of-Way, a BLM Record of Decision on the EIS, and a completed Section 404 Permit. These assets represent the work that the ASAP team has performed under the mandate as defined in HB 369.

Engineering

Pipeline engineering efforts focused on refining pipeline cost estimates for the tariff models. Work continued on applying for the necessary environmental and land access permits for the FY 13 borehole drilling program. The facilities engineering group continued work on the solicitation for a process engineering firm to design the major facilities on the ASAP project. Work also continued on refining facilities cost estimates for the tariff models.

External Affairs

ASAP public outreach conducted public meetings in the following communities in August: Anaktuvuk Pass on August 9th, Willow Chamber of Commerce on August 15th, village of Nuiqsut Community Meeting on August 22nd, and a presentation to a joint Wasilla/Palmer Chamber of Commerce Meeting on August 28th. The public has shown consistent interest and consistent support of the ASAP project. The community meetings draw a large number of people demonstrating growing support for the ASAP project. Wasilla/Palmer has asked the ASAP team

to elevate the updates to a quarterly timeframe and Nuiqsut asked that the ASAP project office return every 6 months to discuss the project.

In addition to holding the meetings listed above, the ASAP public affairs team met with the Community Advisory Council on August 16th to continue discussions with representatives from the affected communities. The Council members heard from Kurt Gibson, Director of the Gas Pipeline Project Office and from Leslye Langla, Director of Public Affairs from the ASAP project. Mr. Gibson and Ms. Langla shared information from their respective offices and discussed how working together on these projects supports an energy solution for Alaskans and they agreed that continued work on a natural gas solution is in the best interest of Alaskans.

The North Slope Borough joined the ASAP Community Advisory Council and has appointed Qaiyaan Harcharek to represent the North Slope Borough.

AGDC entered into an agreement with Northwest Strategies to assist the project team with the development and execution of a Corporate Communications Plan. The Plan will be completed by the end of October and will assist the executive team in delivery of the ASAP project message.

Regulatory

ASAP project staff worked closely with the United States Army Corps of Engineers (ASACE) and third party contractor CardoENTRIX in August to provide technical and management assistance as requested to further the completion of the Environmental Impact Statement (EIS).

The ASAP regulatory team worked diligently to define, address, and record all Requests for Information (RFI's) related to the EIS. The team experienced a significant workload during this period in assigning the RFI to the appropriate project disciplines for timely responses necessary to maintain EIS momentum. Legal review of the RFI's and responses was necessary prior to assimilating the information in a common format for submitting to the USACE. The work on the EIS is moving forward albeit delayed somewhat due to the size and scope of the project and the necessary review of all materials.

The project team sincerely appreciates the legislative oversight and interest in the work conducted by the ASAP project team. If there are any questions regarding the information contained in this report, please call 907.330.3600.

Respectfully submitted,



Dan Fauske
President, Alaska Gasline Development Corporation

cc: Honorable Sean Parnell, Governor
Honorable Mead Treadwell, Lieutenant Governor
State of Alaska Commissioners
AGDC Board Members