



Alaska Department of
**Natural
Resources**

Esteemed Members,

The Alaska Department of Natural Resources regrets that we cannot join you to discuss the exciting events currently taking place and affecting our state as well as your Province and both of our nations. This is an amazing moment in time, and I know that you share our enthusiasm as we move ever closer to realizing genuine progress that has been years in the making.

As you are aware, Alaskans have waited decades for the development of a pipeline transportation system that would move natural gas from Alaska to waiting markets. A project of this size and scope faces challenges. In December of 2006, after a series of meetings with North Slope leaseholders and other parties interested in commercializing Alaska's gas, Governor Sarah Palin recognized that a new approach was necessary if progress was to happen. By the spring of 2007 she had won legislative approval for the Alaska Gasline Inducement Act (AGIA) allowing her team to conduct an open competitive process wherein project proposals submitted by market participants would be accepted, analyzed and evaluated. One project that was submitted by TransCanada for an overland pipeline into Alberta proved most commercially attractive to the state. Subsequent ratification by the legislature led us to where we are today. In November of this year TransCanada will receive a license signifying cooperation between the State of Alaska and private industry allowing us to move this project forward and share both costs and risks during the early development phase of this project.

TransCanada has begun preliminary field activity that will allow them to perform extensive engineering and design work over the coming winter. Subsequent field work will take place beginning next spring which will further allow the pipeline company to identify all of the costs associated with this enormous undertaking. An aggressive but realistic project schedule set forth by TransCanada will allow them to conduct an Open Season (solicitation of interest) by the fall of 2010. Following a successful Open Season, Alaska's natural gas could find its way into the Alberta hub for distribution to U.S. markets as early as 2018.

The project will take years to complete under the most optimistic of outlooks. But there is a tremendous amount of work to be done in the interim. Coordination between the various agencies within Alaska, as well as cross-border communication and cooperation, will be essential to meeting our collective goals. As I mentioned, this project has been discussed and evaluated for decades, and completion is years away yet. But there is work to be done now so that we can all realize the dream of bringing Alaska's gas online. We look forward to ongoing dialogue between our organizations so that our efforts can be streamlined and the issues of all the stakeholders are addressed.

Alaska and Alaskans recognize the considerable efforts of the Yukon Chamber of Commerce and its members and we appreciate your continued support as we make progress on this historic undertaking in the months and years to come. Again, we regret that we could not deliver this message in person and Alaska appreciates your continued support and open dialogue as this important project moves forward. I look forward to when I can visit you in the Yukon.

Thank you.

Tom Irwin, Commissioner