



THE ALLIANCE

...for responsible development of Alaska's Oil, Gas & Mineral Resources
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- POSITION ON AGIA LICENSE -

The Alliance supports a North Slope gas project that encourages earliest possible construction of a pipeline and maximizes the value of the resource to Alaskans. **We oppose granting an AGIA license to TransCanada or any other entity. The AGIA process has been flawed from the outset, and will not deliver a gas pipeline.**

AGIA ignores the risks of shippers that ultimately will pay for the multibillion-dollar project through their shipping commitments and does not resolve fundamental fiscal terms, virtually guaranteeing a failed open season.

We're confident of TransCanada's technical ability to build a pipeline, but the company has no gas to commit to a pipeline, it has made no commitment to build a pipeline if granted a license, it's depending on a massive state subsidy, and it's seeking other unrealistic concessions from the U.S. federal government.

The BP-ConocoPhillips Denali project eliminates any need for the state to put up \$500 million to "induce" construction of a pipeline and risk triple damages for what the licensee has spent when AGIA doesn't work.